

**MEMORANDUM**

**To:** Board of Regents

**From:** Board Office

**Subject:** Revisions to Policy Manual

**Date:** November 4, 2002

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**Recommended Actions:**

Accept for review the proposed revised versions of §§4.39 and 4.40--“Conflicts of Interest”, §4.41--“Inclement Weather”, selected sections of Chapter VII--“Business Procedures”, and selected sections of Chapter IX--“Property and Facilities”.

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**Executive Summary:**

Revision of the Policy Manual is proceeding steadily and nearing completion

**Activity to Date:**

The Board Office and Regent institutions have been in the process of reviewing the Board of Regents Policy Manual, formerly the Procedural Guide, for more than a year.

- The Board approved a revised version of Chapter V--“Equal Opportunity” in January 2002.
- Chapter II--“Meetings” and Chapter IV--“Personnel” were approved by the Board in March 2002.
- Revised versions of §4.04--“Appointment of Presidents, Superintendents, and Executive Director” and §4.11--“Employment and Supervision of Immediate Family Members” were approved by the Board in April 2002.
- Chapter III--“Board Office” and Chapter VI--“Academic Policies and Procedures” were submitted for Board review in March 2002 and were approved in April (with the exception of §6.03 and 6.04.)
- A revised version of Chapter I--“Board of Regents” was approved in May.
- Chapter VI--“Academic Policies and Procedures” was resubmitted for Board approval in May, after minor revision to §§6.03 and 6.04.
- Chapter VIII--“Charges and Fees”, §§4.37--“Regent Employees Representing the Board of Regents and the Regent Enterprise”, §4.38--“Regent Employees Serving on State Committees as Regent Employees” were submitted for Board approval in June, after initial review at the Board’s May meeting.
- §1.07(A)(2)(b) was approved in June, following an amendment to include a community college president as a representative on the Committee on Educational Coordination.

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| <p>Activity this month</p> <p>Conflict of Interest<br/>Inclement Weather</p> <p>Selected sections<br/>of "Business<br/>Procedure" and<br/>"Property and<br/>Facilities"</p> | <ul style="list-style-type: none"> <li>• §7.04--"Purchasing" was revised and approved by the Board in July.</li> <li>• "Conflict of Interest of Public Officers and Employees—Gifts" and "Conflict of Interest—Duty of Loyalty", §§4.39 and 4.40, are revised and presented for Board review this month.</li> <li>• An "Inclement Weather" policy, §4.41 is presented for Board review.</li> <li>• Selected sections of "Business Procedures"--Chapter VII are presented for Board review this month, with approval to be sought at the next full Board meeting. Additional subsections of this chapter will be brought forward in the future as they are completed.</li> <li>• Selected sections of "Property and Facilities" (Capital Projects)—Chapter IX are presented for Board review, with additional subsections to be presented in the future as they are completed.</li> </ul> |
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Business sections  
scheduled for  
submission

**Future Submissions:**

The contents of Chapter VII – "Business Procedures" and Chapter IX – "Property and Facilities" of the Policy Manual are undergoing substantial modification. Because of the number of areas addressed in Chapters VII and IX that are also a component of the Regent Organizational Review, additional subsections will be brought to the Board for approval as they are completed.

Review of Policy  
Manual linked to  
Governor's  
Executive Orders  
on IAC revision

The Policy Manual has not been revised for several years. This revision process is also timely in light of the review and revision of the IAC, as required by the Governor's Executive Orders No. 8-11.

- The review of the Policy Manual has focused on consistency with state and federal laws, with policies and practices of the Board of Regents, elimination of redundancy with the IAC, and compliance with the requirement of Iowa Code Chapter 17A: Iowa Administrative Procedures Act.

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**Strategic Plan:**

Revision relates to  
Quality and  
Accountability

Revision of the Policy Manual is consistent with the Board of Regents' Strategic Plan, KRA 1.1.0.0, Quality. More specifically this revision relates to KRA 4.0.0.0, Accountability, and particularly to Objective 4.2.0.0--to improve the operational effectiveness and efficiency of the institutions.

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**Background:**

Revised sections  
and chapters for  
Board review

Sections for Board review:

Changes are shown by striking current language and underscoring proposed new language.

- Attachment 1 describes the changes made to §10.20, now §4.39—“Conflict of Interest of Public Officers and Employees—Gifts”.
- Attachment 2 describes the proposed revised version of §4.39—“Conflict of Interest—Gifts”, §4.40—“Conflict of Interest—Duty of Loyalty”, and §4.41—“Inclement Weather”.
- Attachment 3 describes selected sections of Chapter VII—“Business Procedures” (A) Strike through version, (B) proposed revised version.
- Attachment 4 describes changes made to selected sections of Chapter IX—“Property and Facilities”.

**Highlight of Changes**

- Redundancy with the IAC was eliminated and language was clarified.
- “Conflict of Interest—Gifts” is moved to chapter IV on Personnel--§4.39, with additional clarification of Conflict of Interest concerning Regents and institutional heads provided in §4.40.
- New “Inclement Weather” policy--§4.41-- clarifies existing practice during emergency weather conditions.
- Chapter VII--“Business Procedures” incorporates sections that were previously dispersed--parietal rules, records management, conflict of interest vendors, traffic and parking, and administrative rules procedures.
  - All sections were restructured and reorganized for better flow.
  - Chapter VII deletes several sections that were redundant with statute or administrative rules or not consistent with existing law—details on payroll withholdings, special schools transportation reimbursement, livestock disease research fund.
  - Chapter VII includes a number of changes to update existing procedures—Capitalization policy raised from \$2,000 to \$5,000, master lease report becomes annual, executive council 29c.20 procedures are updated, process for executive council matters is updated.
- Chapter IX--“Property and Facilities” incorporates the changes impacted by the Board’s adoption of the new threshold levels for approval of capitol projects.

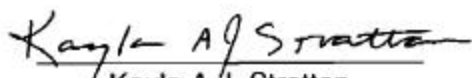
“Business  
Procedures”  
chapter is  
streamlined and  
clarified.

**Analysis:**

- Review of the Policy Manual is needed to ensure that it is consistent with state and federal law.
- The review process involves consultation among the institutions and the Board Office.
- The Board has final authority to approve changes in the Policy Manual and will review proposed sections and make recommendations for further changes as it sees fit.

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**Recommendation:** The Board Office recommends that the Board accept the proposed revised sections for review, with approval to be sought at the next full Board meeting.

  
Kayla A.J. Stratton

Approved:   
Gregory S. Nichols

**4.39 ~~10.20~~ Conflict of Interest of Public Officers and Employees - Gifts (see Chapter 68B, Code of Iowa I.C.)**

**A. Policy**

1. Members of the Board of Regents, employees of the Board, and the immediate family members of each shall not, directly or indirectly, solicit, accept, or receive from any one donor, a gift as defined in I.C. 68B.22.
2. Members of the Board of Regents, employees of the Board, and immediate family members of each shall not, directly or indirectly, offer or make a gift as defined ~~below~~ to an official, employee, local official, local employee, member of the General Assembly, candidate, or legislative employee.

**~~B. Definitions~~**

- ~~1. A gift means a rendering of money, property, services, discount, loan forgiveness, payment of indebtedness, or anything else of value in return for which legal consideration of equal or greater value is not given and received, if the donor is in any of the following categories:~~
  - ~~a. Donor is doing or seeking to do business of any kind with the State Board of Regents or an institution it governs.~~
  - ~~b. Donor is engaged in activities which are regulated or controlled by the State Board of Regents or an institution it governs.~~
  - ~~c. Donor has interest which may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of the official duty of the Board or any of the Board's employees.~~
  - ~~d. Donor is a lobbyist with respect to matters within the jurisdiction of the State Board of Regents.~~
- ~~Note: The definition of "gift" in Chapter 68B is written in terms of the government official or employee as the recipient of a gift. The statute also prohibits government officials or employees from making gifts to officials or employees of other state agencies, in the circumstances described in~~

~~Section B(1) above. In such cases, the Board member or employee is the donor and the other state official or employee is the donee.~~

- ~~2. A gift does not mean any of the following:~~
- ~~a. Campaign contributions.~~
- ~~b. Informational material relevant to a public servant's official functions as a member of the Board of Regents or as an employee of the Board. Examples of such material are books, pamphlets, reports, documents, or periodicals.~~
- ~~c. Registration fees or tuition not including travel or lodging, for not more than three days, at seminars or other meetings conducted in Iowa, at which the public servant receives information relevant to the public servant's official function.~~
- ~~d. Anything received from a person related within the fourth degree by kinship or marriage, unless the donor is acting as an agent or intermediary for another person not so related.~~
- ~~e. An inheritance.~~
- ~~f. Anything available to or distributed to the public generally without regard to official status of the recipient.~~
- ~~g. Actual expenses for food, beverages, travel, and lodging for a meeting, which is given in return for participation in a panel or speaking engagement at the meeting when the expenses relate directly to the day or days on which the donee has participation or presentation responsibilities.~~
- ~~h. Plaques or items of negligible resale value given as recognition of public service.~~
- ~~i. Items of food and drink with a value of less than three dollars that are received from any one donor during one calendar day.~~
- ~~j. Items or services solicited or given to a state, national, or regional organization in which the Board of Regents is a member.~~

~~k. Items or services that are part of a conference or similar meeting and sponsored by a state, regional, or national organization of which the Board of Regents is a member.~~

~~3. Immediate family members means the spouse and minor children of a person required to file reports pursuant to Chapter 68B.~~

#### ~~B.C.~~ Lobbyist Registration

As applied to the Board of Regents, a lobbyist is defined as an individual who works to encourage the passage, defeat, or modification of legislation or regulations or to influence the decisions of the members of the general assembly, a state agency, or any statewide elected official and is in one of the following categories:

1. is paid by the Board of Regents or a Regent institution for such work.
2. represents on a regular basis the Board of Regents or its institutions.

The definition of lobbyist does not include:

1. persons whose activities are limited to formal appearances at public committee meetings or hearings of state agencies and whose appearances are officially recorded.
2. lawyers representing clients in cases before state agencies.
3. employees of the Board of Regents trying to influence decisions of the Board of Regents or its institutions.
4. persons whose activities are limited to providing information to or soliciting information from the Executive or Legislative Branch of state government or to state agencies.

Lobbyists are required to register annually with that branch or branches of state government with which they expect to lobby. For the Executive Branch they are required to provide a list of applicable agencies or offices. The Campaign Finance Disclosure Commission requires each individual lobbyist to report campaign contributions or gifts on a monthly basis and the sponsoring organization or agency for each lobbyist to submit a report of salaries and expenditures for lobbying activities for each lobbyist on January 31 and July 31 of each calendar year.

C.~~D~~. Financial Disclosure |

Certain officials are required to file financial disclosure. Financial disclosure involves reporting all sources of income and the nature of business for each source as well as all investments in which an individual holds more than a five percent interest.

D.~~E~~. Guidelines for Regent Institutions |

The Board of Regents has developed guidelines for certain situations likely to be encountered by faculty and staff as follows:

1. Honoraria for scholarly presentations are permitted but cannot be sought or accepted from individuals or groups seeking to do business with or regulated by the institution.
2. Tickets to concerts and athletic events can be distributed to legislators, Board members, and officials on the same basis as tickets made available to the general public.
3. Informational materials can be provided to legislators or Board members because these do not constitute a gift.
4. Meals, travel, and accommodations for Regents in conjunction with meetings are generally not permissible. The host institutions can provide refreshments within the three dollar limit.
5. Complimentary textbooks and software are not gifts because they are informational materials relevant to faculty and staff performance of official functions.
6. Gift exchanges among employees are permissible under certain circumstances. If the donee has the ability to set salaries, approve expenditures, and hire and promote an individual, such gifts would be prohibited unless they are food and drink worth less than \$3.00 per day. Gifts to subordinates are permissible.
7. Travel and accommodations for product evaluation would constitute a gift if provided by a prospective seller of the product and if the recipients of the travel and accommodations are in a position to evaluate or recommend the purchase of the product.

Institutional heads can accept gifts only on behalf of the institutions and then direct them appropriately to a charitable organization such as a museum.

E.F. Applicable Law

Notwithstanding the guidance provided by this policy, members of the Board of Regents and employees of the Board are required to comply with Chapter 68B, [Code of Iowa I.C.](#), to which they should refer for further information. ~~(Board of Regents Minutes March 23-24, 1988, pp. 628-629; April 21, 1993, p. 717)~~

**4.39 Conflict of Interest of Public Officers and Employees – Gifts (see I.C. Chapter 68B)**

**A. Policy**

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2. Members of the Board of Regents, employees of the Board, and immediate family members of each shall not, directly or indirectly, offer or make a gift as defined in I.C. 68B.22 to an official, employee, local official, local employee, member of the General Assembly, candidate, or legislative employee.

**B. Lobbyist Registration**

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1. is paid by the Board of Regents or a Regent institution for such work.
2. represents on a regular basis the Board of Regents or its institutions.

The definition of lobbyist does not include:

1. persons whose activities are limited to formal appearances at public committee meetings or hearings of state agencies and whose appearances are officially recorded.
2. lawyers representing clients in cases before state agencies.
3. employees of the Board of Regents trying to influence decisions of the Board of Regents or its institutions.
4. persons whose activities are limited to providing information to or soliciting information from the Executive or Legislative Branch of state government or to state agencies.

Lobbyists are required to register annually with that branch or branches of state government with which they expect to lobby. For the Executive Branch they are required to provide a list of applicable agencies or offices. The Campaign Finance Disclosure Commission requires each individual lobbyist to report campaign contributions or gifts on a monthly basis and the sponsoring organization or agency for each lobbyist to submit a report of salaries and expenditures for lobbying activities for each lobbyist on January 31 and July 31 of each calendar year.

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Certain officials are required to file financial disclosure. Financial disclosure involves reporting all sources of income and the nature of business for each source as well as all investments in which an individual holds more than a five percent interest.

#### D. Guidelines for Regent Institutions

The Board of Regents has developed guidelines for certain situations likely to be encountered by faculty and staff as follows:

1. Honoraria for scholarly presentations are permitted but cannot be sought or accepted from individuals or groups seeking to do business with or regulated by the institution.
2. Tickets to concerts and athletic events can be distributed to legislators, Board members, and officials on the same basis as tickets made available to the general public.
3. Informational materials can be provided to legislators or Board members because these do not constitute a gift.
4. Meals, travel, and accommodations for Regents in conjunction with meetings are generally not permissible. The host institutions can provide refreshments within the three dollar limit.
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7. Travel and accommodations for product evaluation would constitute a gift if provided by a prospective seller of the product and if the recipients of the travel and accommodations are in a position to evaluate or recommend the purchase of the product.

8. Institutional heads can accept gifts only on behalf of the institutions and then direct them appropriately to a charitable organization such as a museum.

E. Applicable Law

Notwithstanding the guidance provided by this policy, members of the Board of Regents and employees of the Board are required to comply with I. C. Chapter 68B, to which they should refer for further information.

**4.40 Conflict of Interest Policy – Duty of Loyalty**

The Board of Regents, State of Iowa ("Board"), recognizes that members of the Board, employees of the Board, and employees of institutions governed by the Board, are required to comply with Iowa Code §68B.2A: Conflicts of Interest. To further enhance the credibility and accountability of the Board, the Board requires that all Regents and institutional officials promote at all times the best interests of the Board and its institutions consistent with policies, rules, regulations, and laws governing the Board, academic institutions, and academic freedom. The duty of loyalty requires Regents to exercise their powers and duties in the interests of the Board and its institutions and not in the Regent's own interest or in the interest of another person or organization. Regents and institutional officials must endeavor to remain free from the influence of, or appearance of, any conflicting interest in acting on behalf of the Board or a Regent institution. Actual or potential conflicts of interest for a Regent or institutional official may arise from the interests of the individual or the individual's spouse, significant other, or a family member. Such interests may include, but are not limited to, employment, ownership of, or service on, the board of directors of an organization that has or may have relationships with the Board or a Regent institution.

Each Regent shall disclose on an annual basis any interests that may create an actual, potential or perceived conflict of interest and shall supplement the disclosure as new interests may appear. A management plan shall be developed for disclosed conflicts. For some interests, disclosure alone may be sufficient. Others may require recusal from participation on certain matters, or, in very unusual situations, divestiture of the interest or resignation from a conflicting position.

Regent institutions shall have Conflict of Interest policies in place for institutional employees not subject to this policy. Such institutional policies shall not be inconsistent with this policy.

By its requirement that there be a student member of the Board, the Legislature is deemed to have determined that a student's interest in Board determinations of tuition policy and the like do not constitute an impermissible conflict of interest.

#### **4.41 Inclement Weather**

The Board of Regents recognizes that inclement weather may create emergency conditions that make it difficult or unreasonable to conduct normal business and educational activities at the Regent institutions. Therefore, the Board delegates decisions on temporary closings, cancellations or curtailing of normal institutional functions due to inclement weather to the institutional head and central administration of each Regent institution, according to their individual policies. The Executive Director and/or the Board Office should be notified immediately whenever such decisions are made.

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BUSINESS PROCEDURES

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~~VII.~~ BUSINESS PROCEDURES

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- A. A business office shall be maintained at each of the institutions of higher learning, with such organizations, powers, and duties as the Board may prescribe and delegate. (~~Code I.C.~~ §262.20)

7.02 General Policies

A. Budgets

1. Budget Process

- a. The Board's strategic plan requires it to continue its long-standing practice of seeking state appropriations annually.
- 1) The chronological appropriations process for the institutions governed by the Board of Regents includes the following:
- a) Regent institutions develop institutional appropriation requests based on the established criteria for operating and capital requests.
- b) The Board considers preliminary institutional operating appropriations requests at its July meeting.
- c) Between July and September, Board Office staff visit the institutions, as necessary, to gather additional information, discuss priorities, and refine the appropriations requests.
- d) At its September meeting, the Board approves institutional appropriations requests.
- e) By October 1, the Board-approved appropriations requests are submitted to the Governor, as required by law.
- f) The Governor prepares state appropriations recommendations, including appropriations recommendations for Regent institutions prior to the legislative session.
- g) During the legislative session, the General Assembly and Governor consider and authorize appropriations.

2. Appropriations Request Criteria

a. Operating Requests Criteria

- 1) Relationship of initiatives to institutional strategic plans, which also guide capital budget requests.

- 2) Prior appropriations for similar or connected initiatives.
- 3) External funding which provides a leverage of state resources.
- 4) Impact of initiatives on state's economic development.
- 5) Equity among institutions.
- 6) Accountability.

b. Capital Requests Criteria

- 1) Relationship of projects to institutional strategic plans.
- 2) Priority order of projects in the prior Board-approved five-year plan.
- 3) Priority ranking of projects as submitted by institutions.
- 4) Prior appropriations for planning and/or construction.
- 5) Consistency of the project with the campus master plan.
- 6) External funding which provides a leverage of state resources.
- 7) Impact of projects on state's economic development.
- 8) Equity among institutions.
- 9) Accountability.

3. Budget Approvals – All institutional budgets are to be approved by the Board.

4. 7.03—Budget Transfers

- a. A.—The chief executive officer of each institution is authorized to approve budget transfers and allocations, except those ~~transfers which~~ transfers that increase the current approved budget or the budget ceiling or those required by loan agreements and bond resolutions and building repair allocations exceeding \$100,000. The exceptions shall be docketed by each institution for Board action, and such action shall be recorded in the Board minutes.
- b. B.—The chief executive officer of each institution is authorized to approve supplemental budgets which are supported by gifts, grants, and service contracts. (~~Board of Regents Minutes July 14-15, 1966, p. 156; August 11-12, 1966, p. 623; May 9-10, 1968, p. 459~~)

5. 7.04—Budget Ceilings

- a. Regent institutions will docket for Board action proposed changes in budget ceilings for General Fund operations and will do so prior to institutional action

modifying their obligations. (~~Board of Regents Minutes May 17, 1979,~~  
~~p. 6212~~)

B. 7.33 — Collection of Delinquent Accounts

1. Authority: I.C. §262.15 provides that the Board shall have charge of the foreclosure of all mortgages and of all collections from delinquent debtors to said institutions. All actions shall be in the name of the Board of Regents, for the use and benefit of the appropriate institution.

2. A collection policy shall be established at the Regent institutions to ensure responsible fiscal management of receivables. The objectives of the collection policy are to combine both internal and external collection resources in a manner which will maximize collection experience.

~~A. Internal collection techniques shall include but not be limited to the following:~~

- ~~1. limit student registration~~
- ~~2. void student registration~~
- ~~3. hold transcripts~~
- ~~4. limit services available (i.e. library, union)~~
- ~~5. limit charging privileges~~
- ~~6. implement face-to-face interaction with debtors~~
- ~~7. make available an appeals forum~~
- ~~8. charge late payment fees~~
- ~~9. use entrance and exit interviews~~
- ~~10. withhold from payroll~~
- ~~11. issue "Notice of Cure" letters~~

3. External collection techniques shall allow the use of independent collection agencies selected through a competitive process. ~~Criteria for selection of independent collection agencies shall include but not be limited to the following points:~~

- ~~1. agency's credit bureau reporting capabilities~~
- ~~2. agency's demonstrated expertise and experience with educational institutions, medical operations, and long-term federal student loans~~
- ~~3. agency's networking and locating capabilities~~

4. ~~B.~~ — To provide staff with an understanding of collection techniques and a well defined collections process to facilitate effective collection practices, ~~the staff at the institutions will be made familiar with collection policies through but not limited to the following items:~~

- ~~1. detailed office procedure manuals~~
- ~~2. in depth on-the-job training~~
- ~~3. professional development opportunities~~

- ~~4. workshops~~
- ~~5. seminars~~
- ~~6. local and national conferences~~
- ~~7. consultation with other institutions~~
5. ~~C. To publicize c~~Collection policies should be publicized so that obligation to pay and payment procedures are clearly understood. Collection policies concerning students shall be displayed on or at the but not limited to the the following sources:
  - a. ~~1. schedule~~Schedule of courses book
  - b. ~~2. brochures~~Brochures to newly-admitted students
  - c. ~~3. pamphlets~~Pamphlets for off-campus packets
  - d. ~~4. points~~Points of sale
  - e. ~~5. statements~~Statements mailed each month to students
  - f. ~~6. loan~~Loan and note documents
  - g. ~~7. university~~University catalog
6. Collection policies concerning general accounts ~~shall~~ should be displayed ~~on or at but not limited to the following sources:~~
  - ~~1. point of sale~~
  - ~~2. brochures~~
  - ~~3. repayment schedules~~
  - ~~4. correspondence~~
  - ~~5. face-to-face negotiations~~
7. ~~D. To ensure t~~The Regent institutions should remain in compliance with: the Iowa Consumer Credit Code, Chapter 537, ~~Code of Iowa I.C.~~; Medicare bad debt regulations; long-term federally regulated student loan policies; account confidentiality as defined by the ~~Code of Iowa I.C.~~, the Federal Right to Privacy Act, the Buckley Amendment, for protection of student records; and Regent institutional policy; and any other regulatory agencies that impose criteria for the billing of Regent institution accounts.
8. ~~E.~~In addition to the aforementioned objectives, procedures and collection techniques, each Regent institution shall maintain its own more detailed written policies. ~~(Board of Regents Minutes June 17-18, 1992, p. 961)~~
9. The Regent institutions are encouraged to participate in the state's offset program for collection purposes.

10. ~~G.~~—The institutions shall handle their own uncollectible student loans with settlements carried out through statutory procedures. Any changes in current or new policies are to be docketed by the chief business officer for Board action.

~~1. The transfer of uncollectible accounts shall be approved by the president of the institution involved and a report of this action shall be sent to the Board Office.~~

~~2. Any changes in current policies, or new policies, are to be docketed by the chief business officer for Board action. (Board of Regents Minutes November 10-12, 1966, p. 218; January 12-13, 1967, p. 328; June 28-30, 1967, p. 569)~~

C. 7.22—Indirect Cost Rate

1. The policy of the Board of Regents is to provide services to other state agencies based on contractual agreements that include clearly specified tasks related to the missions of the institutions and established payment for both direct and indirect costs. This policy is consistent with standard management practices and provides equitable support of programs conducted from all sources of funding by institutions under the jurisdiction of the Board of Regents.

2. For federal programs, the provisions of OMB Circular A-21 will be followed. ~~(Board of Regents Minutes May 13-14, 1976, pp. 553-555)~~

D. 7.02—~~Expenditures~~ Accounting Issues

1. ~~A.~~—The Board shall direct the expenditure of all appropriations made to the institutions and of any other moneys belonging thereto, but in no event shall the perpetual funds of the Iowa State University of Science and Technology, nor the permanent funds of the State University of Iowa derived under Acts of Congress, be diminished. (~~Code~~ I.C. §262.9[7])

2. ~~B.~~—I.C. §262.23 requires a number of specific items for compliance by the treasurer of each of said Regent institution, s shall: The Business Officers of each institutions shall maintain accounting records and supporting documentation in accordance with accepted business standards for accountability and auditability and shall prepare reports as required, including an annual financial report.

~~1. Receive all appropriations made by the General Assembly for said institution and all other funds from all other sources belonging to said institution.~~

~~2. Pay out said funds on order of the Board of Regents, or of such committee or official as it designates, on bills duly audited in accordance with the rules prescribed by said Board.~~

~~3. Retain all bills so paid by treasurer, with receipts for their payment as vouchers.~~

- ~~4. Keep an accurate account of all revenue and expenditures of said institution so that the receipts and disbursements of each of its several departments shall be apparent at all times.~~
- ~~5. Annually, and at such other times as the Board may require, report to it said receipts and disbursements in detail. (Code I.C. §262.23)~~
3. ~~C.~~—All appropriations made payable annually to each of the institutions under the control of the Board of Regents shall be paid in 12 equal monthly installments on the last day of each month on order of said Board. (Code I.C. §262.28)
4. ~~D.~~—The treasurer of each institution is hereby authorized to pay out all funds belonging to the institution, but only on vouchers for purchases, salaries, wages, or other expenditures which have been approved by the head of the department charged with such expense and which voucher shall further show a certification by the business manager or the business manager's authorized agents that proper check of availability of funds, prices, and terms, extensions totals, classifications, funds, and account numbers has been made. (Board of Regents Minutes November 10-12, 1966, p. 217~~8~~)
5. ~~E.~~—Duly audited disbursement vouchers may be paid upon the signature of the assigned business officers following:  
  
~~State University of Iowa: the business manager treasurer and any one of the following--vice president for business and finance or the controller and university secretary.~~  
  
~~Iowa State University: the treasurer and any one of the following--controller--secretary or chief accountant.~~  
  
~~University of Northern Iowa: the treasurer and any one of the following--business manager or accountant.~~  
  
~~Iowa School for the Deaf: both of the following--superintendent and business manager.~~  
  
~~Iowa Braille and Sight Saving School: both of the following--superintendent and business manager. (Board of Regents Minutes November 10-12, 1966, p. 217~~8~~)~~

E. 7.15—Payroll Withholding

1. ~~A.~~—Payroll withholding programs are permitted according to the following guideline:
  - a. 1.—Withholdings authorized by federal or state laws.
  - b. 2.—Withholdings in connection with employee retirement and insurance plans approved by the ~~State~~ Board of Regents.

- c. ~~3.~~ Withholdings authorized by individual employees for institution-wide contributive programs of direct benefit.
- d. ~~4.~~ Withholdings authorized by individual employees for United States savings bonds.
- e. ~~5.~~ Withholdings for amounts due the institution from and authorized by its employees. ~~(Board of Regents Minutes March 23-24, 1988, pp. 628-629)~~
- f. ~~6.~~ Withholdings for amounts authorized by individual employees for dues for the convenience of organizations which relate to employment conditions, such as union organizations or university-wide professional organizations. Payroll withholding programs in this category shall not be initiated without 100 participants at Iowa State University and the University of Iowa, 50 participants at the University of Northern Iowa, and 25 participants at Iowa School for the Deaf and Iowa Braille and Sight Saving School, unless justification exists for fewer participants; payroll programs in this category may be discontinued if the number of participants falls below 25. ~~Each payroll withholding program in this category is to be submitted to the Board of Regents for approval. Any payroll withholding program may be discontinued by the Board if a request for a new withholding program has higher priority and cannot be accommodated within existing withholding procedures.~~
- g. Insurance deductions in accordance with IAC 681—§8.7.
2. ~~B.~~ Each Regent institution ~~will~~ shall require the employee or eligible organization to submit written authorization for payroll withholding for each withholding program, including the assent of the spouse of the employee, as required. ~~For programs which require assent of the spouse, both the signature of the employee and the spouse must be notarized.~~
3. ~~C.~~ The business officers are required to maintain such records as necessary for audit purposes.

~~4.D. Following is a list of payroll withholdings authorized: (Board of Regents Minutes March 23-24, 1988, pp. 628-629)~~

~~\_\_\_\_\_ ALL INSTITUTIONS:  
\_\_\_\_\_ Federal Income Tax  
\_\_\_\_\_ State Income Tax  
\_\_\_\_\_ Federal Social Security and Medicare  
\_\_\_\_\_ Iowa Public Employee Retirement System  
\_\_\_\_\_ TIAA-CREF Retirement Annuities and Substitutions~~

~~Therefor~~

~~\_\_\_\_\_ Group Medical Insurance  
\_\_\_\_\_ Group Life Insurance  
\_\_\_\_\_ Group Disability Insurance  
\_\_\_\_\_ Group Dental Insurance  
\_\_\_\_\_ Parking Fees and Fines  
\_\_\_\_\_ Salary Advances  
1. \_\_\_\_\_ Accounts Receivable~~

\_\_\_\_ U.S. Savings Bonds  
\_\_\_\_ Employee's Credit Union  
\_\_\_\_ United Fund  
\_\_\_\_ Deferred Compensation and Tax-sheltered Annuity  
Programs  
\_\_\_\_ Insurance Premiums As Authorized by Section 79.17 of  
the [Code of Iowa I.C.](#)  
\_\_\_\_ UNIVERSITY OF IOWA:  
\_\_\_\_ Dues for AFSCME  
\_\_\_\_ Dues for American Association of University Professors  
\_\_\_\_ Earned Income Credit  
\_\_\_\_ Miscellaneous  
\_\_\_\_ Child Support  
\_\_\_\_ Tuition Reimbursement  
\_\_\_\_ Travel Advance  
\_\_\_\_ Hospital Room  
\_\_\_\_ Hospital Board  
\_\_\_\_ Internal Medicine Meals – Faculty  
\_\_\_\_ Internal Medicine Meals – Residents  
\_\_\_\_ D. D. Faculty Meeting/Lunch  
\_\_\_\_ Hospital School Cafeteria  
\_\_\_\_ Hospital Barber  
\_\_\_\_ Hospital Postage  
\_\_\_\_ Hospital Telephone  
\_\_\_\_ Hospital Medical Service  
\_\_\_\_ Hospital Paying Patients  
\_\_\_\_ Accounts Receivable  
\_\_\_\_ Hancher Season Tickets  
\_\_\_\_ Mabile Theatre Tickets  
\_\_\_\_ FICA Withholding on Taxable Benefits  
\_\_\_\_ Supplemental House Staff Life Insurance  
\_\_\_\_ House Staff Life Insurance  
\_\_\_\_ Accidental Death & Dismemberment Insurance  
\_\_\_\_ Vision Insurance  
\_\_\_\_ Hearing Aid Insurance  
\_\_\_\_ Domestic Violence Intervention Program  
\_\_\_\_ Long Term Care  
\_\_\_\_ Internal Revenue Service Tax Levies  
\_\_\_\_ Cancer Insurance, Capital American Life  
\_\_\_\_ Health Care Spending Account  
\_\_\_\_ Basketball Season Tickets  
\_\_\_\_ New England National Life  
\_\_\_\_ New York Life  
\_\_\_\_ Garnishment  
\_\_\_\_ Cancer Insurance, American Family Life  
\_\_\_\_ Ronald McDonald House Contributions  
\_\_\_\_ Cambus  
\_\_\_\_ National Health Agencies of Iowa  
\_\_\_\_ Iowa Nurses Association

~~\_\_\_\_\_ S.E.C.O.~~  
~~\_\_\_\_\_ Supplemental Life Insurance~~  
~~\_\_\_\_\_ Arena~~  
~~\_\_\_\_\_ Iowa Foundation Fund~~  
~~\_\_\_\_\_ Life Group Insurance Contribution~~  
~~\_\_\_\_\_ Life of Omaha Insurance~~  
~~\_\_\_\_\_ University of Iowa Credit Union~~  
~~\_\_\_\_\_ Parking~~  
~~\_\_\_\_\_ Van Pool~~  
~~\_\_\_\_\_ Dependent Care~~  
~~\_\_\_\_\_ IOWA STATE UNIVERSITY:~~  
~~\_\_\_\_\_ Federal and Service Retirement Annuities~~  
~~\_\_\_\_\_ Federal Life Insurance~~  
~~\_\_\_\_\_ Alumni Achievement Fund/ISU Foundation~~  
~~\_\_\_\_\_ Iowa State University Center Tickets~~  
~~\_\_\_\_\_ Dues for Local 870, AFSCME~~  
~~\_\_\_\_\_ Dues for Staff Employees Collective Organization~~  
~~\_\_\_\_\_ Van Pool Fees~~  
~~\_\_\_\_\_ Flex Two Spending Account~~  
~~\_\_\_\_\_ United Fund~~  
~~\_\_\_\_\_ UNIVERSITY OF NORTHERN IOWA:~~  
~~\_\_\_\_\_ Artists Series Tickets~~  
~~\_\_\_\_\_ Theatre UNI Tickets~~  
~~\_\_\_\_\_ UNI Wellness~~  
~~\_\_\_\_\_ KUNI contribution~~  
~~\_\_\_\_\_ Rent UNI~~  
~~\_\_\_\_\_ Athletic Tickets~~  
~~\_\_\_\_\_ Perkins Loan~~  
~~\_\_\_\_\_ Lost Keys~~  
~~\_\_\_\_\_ Child Support~~  
~~\_\_\_\_\_ Wage Garnishments~~  
~~\_\_\_\_\_ Tax Levies~~  
~~\_\_\_\_\_ Dependent Care Plan~~  
~~\_\_\_\_\_ Unreimbursed Medical Plan~~  
~~\_\_\_\_\_ UNI Child Care~~  
~~\_\_\_\_\_ UNI Alumni Association~~  
~~\_\_\_\_\_ Old Gold Yearbook~~  
~~\_\_\_\_\_ Laptop Computer - Late Fees~~  
~~\_\_\_\_\_ Supplemental Long Term Disability Insurance~~  
~~\_\_\_\_\_ IOWA SCHOOL FOR THE DEAF:~~  
~~\_\_\_\_\_ Dues for AFSCME~~  
~~\_\_\_\_\_ Organized Charity Payments~~  
~~\_\_\_\_\_ Lodging, Telephone, Meals, Accounts Receivable, & Wage~~  
~~\_\_\_\_\_ Garnishments~~  
  
~~\_\_\_\_\_ IOWA BRAILLE AND SIGHT SAVING SCHOOL:~~  
~~\_\_\_\_\_ Dues for ISEA/AFSCME~~  
~~\_\_\_\_\_ Cancer Insurance~~  
~~\_\_\_\_\_ Tax Sheltered Annuities~~

~~\_\_\_\_\_ Bonds~~  
~~\_\_\_\_\_ Health and Dental~~  
~~\_\_\_\_\_ Child Support~~  
~~\_\_\_\_\_ State of Iowa Dependent Care Plan~~  
~~\_\_\_\_\_ (Board of Regents Minutes March 9-10, 1972, p. 532<sup>5</sup>; April 12-14, 1972, pp. 723<sup>4</sup> & 740; July 13-14, 1972, p. 75; September 14-15, 1972, p. 172; November 8-10, 1972, p. 318; May 10-11, 1973, pp. 863-864; December 13-14, 1973, pp. 378-380; September 18-19, 1975, pp. 109-110 and 118-119; March 12, 1976, p. 467; April 8-9, 1976, p. 540; March 23-24, 1988, pp. 628-629)~~

E. 7.35 \_\_\_\_\_ Reimbursement of Travel Expenses for Employees of Regent Institutions

1. It is the intent of the ~~State~~ Board of Regents that employees of Regent institutions be reimbursed for reasonable expenses associated with work-related travel.
2. It is the further intent of the Board that the Regent institutions adopt institutional policies consistent with this statement, along with any other provisions relating to travel reimbursements which are more specific or restrictive.
3. Some travel reimbursements may be taxable. For example, any meal reimbursement not associated with overnight travel is taxable income which must be reported in the next pay period. It is subject to federal and state income tax withholding and Social Security tax payments. ~~Individual meal costs exceeding \$34 without documentation or substantiation are taxable income and will be reported.~~ Travel advances must be substantiated in a timely fashion (generally within 90 days of completion of travel) or they will be reported as taxable income.
4. Travel expense vouchers should be submitted promptly on return from the trip. Employees will be reimbursed for transportation, lodging, and meals on the following basis:
  - a. ~~A.~~ The use of state-owned vehicles is encouraged. However, transportation reimbursement for official travel by private automobile when the use of a personal car is authorized by the appropriate institutional official shall be paid at no more than ~~:(Board of Regents Minutes July 19, 1995, p. 89)~~
    - 1) ~~at~~At a rate of \$.31 per mile, for travel ~~on or after November 1, 1997~~, when a motor pool vehicle is not available and the employee must use his/her personal vehicle. ~~:(Board of Regents Minutes October 18, 1995, p. 373; October 15-16, 1997, p. 326)~~
    - 2) ~~at~~At a rate of \$.25 per mile, for travel ~~on or after November 1, 1997~~, if a motor pool vehicle is available, but the employee chooses to use his/her own vehicle. ~~(Board of Regents Minutes October 15-16, 1997, p. 326);~~
    - 3) ~~at~~At a rate of \$.31 per mile, for travel ~~on or after November 1, 1997~~, when an employee chooses to use his/her own vehicle and the round trip is less

than 100 miles. ~~(Board of Regents Minutes September 8, 1994, p. 267; October 15-16, 1997, p. 326);~~

4) ~~at~~At a rate to be determined by the institutions' chief business officer on a case-by-case basis when an individual must use a ~~substantially-modified~~substantially modified or ~~specially-equipped~~specially equipped ~~privately-owned~~privately owned vehicle. ~~(Board of Regents Minutes September 8, 1994, p. 267)~~

b. Air or rail transportation should be by common carriers. ~~Reimbursement will be based on the cost of the trip by car including enroute expenses and mileage, or by public carrier, whichever is less. Air or rail transportation should be by common carriers. Reimbursement will be at the lowest reasonably scheduled fare available plus necessary ground transportation costs.~~

c. ~~B.~~ Meals would be reimbursed based on actual and reasonable costs using the following maximum guidelines:

	<u>In-State</u>	<u>Out-of-State</u>
b) Breakfast	\$ 5.00	\$ 8.00
c) Lunch	7.00	12.00
d) Dinner	<u>14.00</u>	<u>20.00</u>
	<u>\$26.00</u>	<u>\$40.00</u>

d. The individual amounts for each meal would apply only in the case of persons being in travel status for partial days. Otherwise, the total amounts for each day would apply, thus allowing some discretion in adjusting meal allowances within the day.

e. Exceptions to these meal standards requested in advance of travel could be accommodated if justified to senior university officials (e.g., vice presidents, business officers, collegiate deans, and major directors of administrative units). Exceptions not authorized in advance of travel may be considered by senior university officials only after careful review and consideration of any unanticipated costs incurred by the university traveler.

~~For submissions of requests for reimbursement for meals in travel status, travelers should be advised that they are to be in travel status during the following time frames to qualify for individual meal reimbursements:~~

~~Breakfast – Prior to 6:00 a.m. and after 8:00 a.m.~~

~~Lunch – Prior to 11:00 a.m. and after 1:00 p.m.~~

~~Dinner – Prior to 5:30 p.m. and after 7:30 p.m.~~

f. ~~C.~~ Lodging reimbursement is limited to the actual/reasonable cost for a standard single room. Lodging rates set by Federal regulations will be used as a guide. This rate is reviewed and amended periodically.

5. ~~D.~~—Reimbursement for Foreign Travel

- a. Meal and lodging Policies and rates approved by the U.S. Department of State are to be followed unless university or granting agency regulations are more restrictive. For partial days of travel, one-fourth of the rate for a full day will be reimbursed for each six-hour period or the fraction thereof that the employee is in travel status.
- b. The traveler may be reimbursed at up to 150 percent of more than the standard per diem if approved by authorized university officials. The traveler must provide an explanation of the extenuating circumstances and original receipts supporting all lodging and meal expenditures. Reimbursements in excess of the standard rates will not be approved if prohibited by granting agency regulations.

7.27—~~Transportation Reimbursement (IBSSS and ISD Parents and Guardians)~~

~~Funds appropriated to the School for the Deaf and the Iowa Braille and Sight Saving School for payments to the parents and guardians of pupils in either institution shall be expended as follows:~~

- a.A.—~~Transportation reimbursement at a rate established annually by the State Board of Regents to the parents or guardians of children who do not reside in the institution, but are transported to the institution on a daily basis.~~
- b.B.—~~Transportation reimbursement at a rate established annually by the State Board of Regents to the parents or guardians for transportation from the institution to the residence of the parent or guardian and return to the institution for children who reside in the institution. (Code I.C. §270.9, amended 1986)~~

G. 7.31—Selection of Employees and Agents Utilized in the Issuance of Bonds or Notes (Code I.C. §262.9(17) and IAC 681—8.8)

1. The IAC provides specific guidelines for the open selection process of financial advisors and bond counsel necessary to carry out the issuance of bonds or notes by the Board. Agreements are to provide for annual renewals during a period not to exceed five years.
2. Requests for proposals (RFP) for these services are to be brought before the Banking Committee. These RFP's will be sent to a list of candidate firms and any other firms the Banking Committee wishes to consider.
3. Representatives of the Board Office and the universities will review the submissions received in response to each of the RFP's, and recommend three or four finalist firms to be interviewed by a selection committee. The selection committee will be comprised of representatives of the Banking Committee, the Board Office, and the universities.

4. The Banking Committee will recommend the final selection of service providers for Board approval.

~~A. Procedures~~

- ~~1. Competitive selection procedures shall be used and supervised by the executive director.~~
- ~~2. The Board may waive the requirements for a competitive selection procedure upon adoption of a resolution stating why the waiver is in the public interest.~~
- ~~3. Results of a competitive selection process shall be referred to the Board for action if the aggregate annual compensation is expected to exceed \$25,000.~~
- ~~4. The executive director may act for the Board on competitive selections where the aggregate annual compensation is not expected to exceed \$25,000. A request for Board ratification of the executive director's action shall be docketed at the next regularly scheduled Board meeting.~~
- ~~5. Agreements with firms selected as financial advisor, bond counsel, or for other functions necessary for the issuance of bonds or notes shall provide for annual renewals during a period not to exceed five years.~~

~~B. Criteria for selection of financial advisor.~~

- ~~1. Familiarity with:
  - ~~a. Iowa laws, the governing statutes, and court decisions relating to Regent bonding authority.~~
  - ~~b. Federal law and tax laws applicable or potentially applicable to financings by the Board of Regents.~~
  - ~~c. The state of Iowa, the Board, the universities, and outstanding Regent bond issues.~~
  - ~~d. The "Iowa market" and retail bond brokers within the state of Iowa.~~~~
- ~~b.2. Experience with:
  - ~~a. State and municipal financings in Iowa.~~
  - ~~b. University financings and public competitive bidding.~~~~
- ~~3. Cost of service as identified in fees and any separate out-of-pocket expenses.~~
- ~~4. Demonstrated relationship of cooperation and trust with bond rating agencies.~~

- ~~5. Knowledge of regional and national bond underwriters and any syndicates that traditionally bid on Regent bonds and other critical financing participants.~~
  - ~~6. Professional qualifications and experience of principal employees who will work with Regents.~~
  - ~~7. Demonstrated capability to quantitatively evaluate financial variables and their impact on proposed financings.~~
  - ~~8. Familiarity and experience with innovative borrowing mechanisms which could offer increased financial advantage or flexibility.~~
  - ~~9. Ability to undertake the assignment immediately and perform in a satisfactory manner to provide services identified under "Scope of Services" in the Request for Proposals.~~
  - ~~10. Experience and demonstrated success as indicated in a listing of current major clients.~~
  - ~~11. Independence from municipal bond underwriting, trading, or other activities or events which could result in a conflict of interest (this is an absolute requirement for any firm selected as the Regents' financial advisor).~~
  - ~~12. Reputation for integrity and compliance with law.~~
  - ~~13. Commitment to fair and equitable employment practices.~~
- ~~C. Criteria for selection of bond counsel.~~
- ~~1. Familiarity with:~~
    - ~~a. Iowa laws, the governing statutes, and court decisions relating to existing Regent bond financing authority and familiarity with outstanding Regents bond issues.~~
    - ~~b. Federal law and tax laws applicable or potentially applicable to financings by the State Board of Regents.~~
    - ~~c. Financial advisors, underwriters, and bond rating agencies.~~
      - ~~2. Experience with state and municipal financings in Iowa and expertise with tax aspects of state and municipal financings.~~
      - ~~3. Experience of attorneys that would be assigned to the Board of Regents with university tax exempt financings.~~
      - ~~4. Cost of service as identified in fees and any separate out-of-pocket expenses.~~
      - ~~5. Professional qualifications and experience of principal employees who will work with the Regents.~~

- ~~6. Demonstrated relationship of cooperation and trust with bond rating agencies, underwriters, and other critical financing participants.~~
- ~~7. Familiarity and experience with master leases, variable rate demand bonds and other innovative borrowing mechanisms which could offer the Board advantage or flexibility.~~
- ~~8. Demonstrated ability to provide written opinions on bonding matters recognized and accepted by underwriters, brokers, and investors in the national market.~~
- ~~9. Ability to undertake the assignment immediately and perform in a satisfactory manner to provide services identified under "Scope of Services" in the Request for Proposals.~~
- ~~10. Experience and demonstrated success as indicated in a listing of current major clients.~~
- ~~11. Independence from financial functions such as municipal bond underwriting or trading or other activities and the absence of other clients which could result in a conflict of interest.~~
- ~~12. Reputation for integrity and compliance with law.~~
- ~~13. Commitment to fair and equitable employment practices.~~

~~This rule is intended to implement 1986 Iowa Acts, S.F. 2175, Section 844. (Board of Regents Minutes May 21, 1986, pp. 636-641; September 17-18, 1986, pp. 213-214)~~

~~(Board of Regents Minutes July 17-18, 1991, p. 47; Banking Committee Minutes July 17, 1991, p. 15)~~

H. 8.09 — Awards to Private Agencies Review and Documentation

1. I.C. §11.36 requires that Regent institutions, prior to awarding a grant or a purchase of service contract of more than \$50,000, shall obtain from the auditor of state a certification of the entity's accounting system and an evaluation of its internal controls. A. — ~~Prior to awarding a grant or purchase of service contract to a private agency, Regent institutions shall obtain from the auditor of state or the auditor's designee a certification stating that the grantee or contractor has an accounting system adequate to effect compliance with the terms and conditions of the grant or contract. The certification shall include an evaluation of internal controls in the accounting system to determine whether the system provides reliable information and promotes efficient operation of the agency.~~

~~A private agency awarded a grant or purchase of service contract by or through the Governor or a state agency shall submit to the audit required by this section prior to the actual transfer of funds and shall pay for the audit under Chapter 11 of the I.C.. The auditor of state may accept an audit report by an independent certified public accountant as evidence of adequacy. To the extent possible, the auditor~~

~~of state shall use existing records on file in the auditor's office to make a determination of adequacy.~~

~~(Board of Regents Minutes October 18, 1995, p. 324)~~

~~I. 7.10 —~~ Inventory Property (Moved to Chapter 9 except the following paragraph)

1. ~~C. —~~ Pursuant to ~~I.C.~~ Chapter 7A.30 ~~of the I.C.~~, all equipment valued at \$5,000 or more and held for one year or more shall be included in the institution's equipment inventory. ~~Effective July 1, 1995, with approval of the Executive Director, an institution may set the minimum threshold at a level greater than \$500 but equal to or lower than \$2,000. (Board of Regents Minutes July 19, 1995, p. 89)~~
2. ~~8.10 —~~ Surplus Property Disposal
  - a. ~~A. —~~ Regent institutions and the Board Office will have established ed surplus property disposal procedures to insure items defined as surplus by departments are placed within the institution to the extent feasible.
  - b. ~~B. —~~ Items declared surplus and not placed within the institution or the Board Office may be disposed of in one or more of the following ways:
    - 1) ~~1. —~~ Use as a trade in;
    - 2) ~~2. —~~ Transfer to another Regent institution or state agency;
    - 3) ~~3. —~~ Sell to highest bidder after soliciting three or more bids;
    - 4) ~~4. —~~ Auction to the highest bidder;
    - 5) ~~5. —~~ Sell internally through surplus sales open to the public;
    - 6) ~~6. —~~ Dismantle for parts utilization; and
    - 7) ~~7. —~~ Scrap if no other value can be determined.
  - c. ~~C. —~~ See ~~Section 7.11~~ Chapter 9 of the Policy Manual Procedural Guide for disposal, transfer, or sale of buildings. ~~(Board of Regents Minutes January 20, 1983, pp. 391-395)~~

~~7.23—Livestock Disease Research Fund (Code I.C. 267)~~

- ~~A. A Livestock Health Advisory Council is established, consisting of three cattle producers, three swine producers, one sheep producer, one poultry producer, one milk producer, and one practicing veterinarian, each appointed for a three-year term. The Department of Agriculture and Land Stewardship shall furnish the council with a meeting place and all articles, supplies, and services necessary to enable the council to perform its duties. (Code I.C. §§267.2, 267.3, and 267.4)~~
- ~~B. There is created a fund in the office of the treasurer of state to be known as the Livestock Disease Fund. For the purpose of establishing and maintaining said fund for each fiscal year, there is appropriated from funds in the general fund not otherwise appropriated, the sum of \$300,000. Any balance in said fund on June 30 of each fiscal year shall revert to the general fund. (Code I.C. §267.8)~~
- ~~C. The Livestock Health Advisory Council shall make recommendations to the Iowa State University College of Veterinary Medicine concerning the application of the Livestock Disease Research Fund. The Iowa State University College of Veterinary Medicine shall not expend any of the funds appropriated to the Livestock Disease Research Fund until the recommendation of the council concerning that appropriation is adopted or 60 days following the effective date of the appropriation, whichever is earlier. (Code I.C. §267.5[3])~~

7.03 ~~7.07~~ Banking and Investment Activity (Draft to be presented next Board meeting)

A. 7.34—Investment Policy (Draft to be presented next Board meeting)

7.04 Financing

A. 7.09—Mortgages and Loans

1. A. (See also 7.07B 1, 2, 5, and 6.) 7.07BThe Board of Regents may invest funds belonging to the institutions under its jurisdiction, subject to Chapters I.C. §262.14, 42A, I.C. 633.123A, and the investment policies adopted by the Board through the use of mortgages and loans. ~~(Board of Regents Minutes March 23-24, 1988, pp. 609-611)~~
- 1.~~Each loan shall be secured by a mortgage paramount to all other liens upon approved farm lands in this state, accompanied by abstract showing merchantable title in the borrower. The loan shall not exceed 65 percent of the cash value of the land, exclusive of buildings.~~
- 2.~~Each such loan, if for a sum more than one-fourth of the value of the farm, shall be on the basis of stipulated annual principal reductions.~~
- 3.~~In acquiring, investing, reinvesting, exchanging, retaining, selling and managing property for the benefit of another, a fiduciary shall exercise the judgment and care under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for the purpose of speculation, but with regard to the~~

~~permanent disposition of their funds, considering the probable income as well as the probable safety, of their capital. Within the limitations of the foregoing standards, a fiduciary is authorized to acquire and retain every kind of property and every kind of investment, specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks and shares, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account. (I.C. § 633.123, subsection 1)~~

~~5. A register containing a complete abstract of each loan and investment, and showing the actual condition, shall be kept by the Board and be at all times open to inspection.~~

~~6. All loans made under the provisions of this section shall have an interest rate of not less than 3 1/2 percent per annum. (I.C. §262.14)~~

~~2. E.~~ The Board shall have charge of the foreclosure of all mortgages and of all collections from delinquent debtors to the institutions under its jurisdiction. All actions shall be in the name of the ~~State~~ Board of Regents, for the use and benefit of the appropriate institution. (~~Code~~ ~~I.C. §~~262.15)

~~3. 7.09B.~~ When loans are paid, the Board shall release mortgages securing the same. (~~I.C. §262.16~~) ~~as follows:~~

~~1. By a satisfaction piece signed and acknowledged by the treasurer of the institution to which the loan belongs, which shall be recorded in the office of the recorder of the county where said mortgage is of record; or~~

~~2. By entering a satisfaction thereof on the margin of the record of said mortgage, dated, and signed by the treasurer of the institution to which the loan belongs. (~~Code~~ ~~I.C. §~~262.16)~~

~~4. G.~~ In case of a sale upon execution, the premises may be bid off in the name of the Board of Regents for the benefit of the institution to which the loan belongs. (~~Code~~ ~~I.C. §~~262.17)

~~5. D.~~ Deeds for premises so acquired shall be held for the benefit of the appropriate institution and such lands shall be subject to lease or sale the same as other lands. (~~Code~~ ~~I.C. §~~262.18)

~~6. F.~~ No lapse of time shall be a bar to any action to recover on any loan made on behalf of any institution. (~~Code~~ ~~I.C. §~~262.19)

~~B. 7.32~~ Lease Financing of Equipment and Facilities

~~1. A.~~ Upon the recommendation of the chief business officer of an institution the executive director may execute lease agreements on behalf of the institution with a third-party leasing agent with which the Board has approved master lease documents and when outstanding leasing is within dollar allocation amounts set by the Board.

- a. ~~1.~~ Master lease drawdowns shall be reported to the Board's Banking Committee at its next meeting ~~next~~ following the drawdown.
  - b. ~~2.~~ Periodic Annual reports ~~(no less frequent than every six months)~~ on outstanding master lease activity shall be made to the Board's Banking Committee.
2. ~~B.~~ Vendor installment purchase agreements may be executed by the chief business officer of an institution under the delegated purchasing authority as outline in §7.05, Purchasing of Chapter 8, subject to the provisions below:
- a. ~~1.~~ Vendor installment purchase agreements with a total value of greater than ~~\$100,000~~ 250,000 for the universities and ~~\$10,000~~ 25,000 for the special schools shall be approved by the executive director and reported to the Banking Committee at its next meeting ~~next~~ following the agreement date.
  - b. ~~2.~~ All vendor installment purchase agreements of \$50,000 or more shall be reported to the legislative fiscal bureau as required by I.C. §8.46 and to the Board in the Annual Purchasing Report.
  - c. ~~3.~~ Vendor installment purchase agreements shall meet all other standards pertaining to purchasing, including obtaining cash price quotes, and shall be evaluated against the relative economics of a cash purchase, the Board's Master Lease Agreement and other third-party leases.
3. ~~C.~~ True leases of equipment where ultimate ownership of the equipment is not intended, other than through the future exercise of an option to purchase, may be executed by the chief business officer of an institution under the delegated purchasing authority of Chapter 8. (Board of Regents Minutes February 21, 1990, p. 437)
- C. ~~K.~~ Academic Building Revenue Bond Proceeds.
1. IAC §681—8.3 outlines procedures for purchase of equipment with academic revenue bonds. In addition to those procedures.
    - a. The institutions shall prepare bid tabulations in the normal format and submit to the Board of Regents Office for distribution.
    - b. Award of equipment orders shall be by the Board at a regular meeting and such award recommendations shall be made part of the Register of Capital Improvement Business Transactions.
  1. ~~1.~~ On each equipment grouping funded by academic revenue bond proceeds where the estimated cost of the equipment to be purchased from a single source is equal to or less than \$25,000:

~~4.~~

- ~~a. — A university shall follow its normal purchasing procedures.~~
- ~~b. — Purchase orders shall be issued with the approval of the chief business officer or designee to the lowest responsive and responsible bidder for equipment conforming to the specifications.~~
- ~~c. — Bid security will not be required unless it is deemed to be in the public interest to do so by the chief business officer or designee.~~

~~(Board of Regents Minutes October 18, 1995, p. 324)~~

~~2. — On each equipment grouping funded by academic revenue bond proceeds where the estimated cost of the equipment to be purchased from a single source exceeds \$25,000:~~

- ~~a. — A notice to bidders shall be published as provided by the I.C., establishing a time for public opening of bids.~~
- ~~b. — Bid security in the amount of 5 percent of the total bid for each group shall be required in the form of cash, certified check, or bid bond, payable to the executive director, Board of Regents.~~
- ~~c. — Bid tabulations shall be prepared in the normal format and submitted to the Board of Regents Office for distribution.~~
- ~~d. — Award of equipment orders shall be by the Board at a regular meeting and such award recommendations shall be made part of the Register of Capital Improvement Business Transactions.~~

~~3. — Public hearings shall not be required under either procedure set forth above.~~

~~2. 4. — The procedures set forth in Section 9.10 of this Guide Chapter 9 of the Policy Manual shall also apply to the purchase of equipment exceeding \$25,000 as described above and funded by academic revenue bond proceeds. ~~(Board of Regents Minutes December 13-15, 1972, p. 416; July 13, 1981, pp. 9-13)~~~~

~~D. 6.23 — Parietal Rules and Dormitories ~~(Board of Regents Minutes March 15, 1995, p. 776, 782; May 17, 1995, p. 981)~~~~

- ~~1. A. — Students may choose to live in university residence halls, university apartments, fraternities, sororities, or off-campus housing.~~
- ~~2. When and if a requirement for a parietal rule requiring students to live in university housing is needed, in the university's judgment, to carry out the responsibility of the Board under its bond covenants to assure maximum occupancy of the dormitories, the university shall first present a recommendation to the Board. The institutions shall bring to the Board proposed changes in parietal rules when such rules in their judgment would affect the responsibility of~~

~~the Board under its bond covenants to assure maximum occupancy of the dormitories. (Board of Regents Minutes February 8-9, 1968, p.314)~~

3. ~~B.~~ If the above parietal rule for any of the three Regent universities is to be invoked, the Board will publish notice before any enforcement of the parietal rule.

~~Students attending Iowa State University may currently choose to live in university residence hall, university apartments, fraternities, sororities, or off-campus housing. However, the university reserves the right to require students to live in university housing. When and if such a requirement is needed, the university shall first present a recommendation for a parietal rule to the Board for action.~~

4. ~~C.~~ The Board encourages the directors of student housing and dining services to meet regularly to exchange information and to discuss policies, practices, and procedures and for the three universities to prepare appropriate information that will enable analysis trends in occupancy by class, sex, and age, and assist ~~the Board Office in~~ the preparation of an annual report to the Board. ~~The Board encourages the directors to proceed in the direction of a uniform accounting system and application of principles. (Board of Regents Minutes March 11-12, 1971, p. 409; December 13-15, 1972, p. 366; November 7-9, 1973, p. 290)~~

~~D. When the parietal rule for any of the three Regent universities has been suspended, the Board will publish notice before any enforcement of the parietal rule. A public hearing will be scheduled no less than 20 days after the published notice. A record of all written and oral statements made at the public hearing will be presented to the Board of Regents prior to enforcement of the parietal rule. (Board of Regents Minutes September 20, 1984, p. 109.)~~

5. ~~Maintenance of Occupancy and Rental Rates in University Housing.~~ The Board covenants and agrees that, so long as any of the bonds (dormitory) shall remain outstanding, it will continuously operate and maintain the system; will adopt such rules and regulations for occupancy, including parietal rules, as will assure maximum occupancy of the buildings; and will fix, maintain, revise and adjust from time to time such rates, rents, fees, and charges for the use of said system as will provide revenues sufficient at all times to pay the reasonable cost of operating and maintaining the system and to provide and maintain the "Dormitory Revenue Bond Sinking Fund" and the required reserve ~~therefor~~ therefore; that it will not permit any free use of the system; and that it will collect and account for and apply the rents, profits, income, and revenues in accordance with [its bond resolutions]. ~~(Excerpt from Dormitory Bond Resolution)~~

#### E. University of Iowa Hospitals and Clinics—

1. Rate schedules will be presented to the Board annually for approval prior to submission of final budgets.
2. ~~C.~~ The director of the department ~~commissioner of the Department of Human Services~~, in respect to institutions under the ~~commissioner's~~ director's control, the administrator ~~director~~ of any of the divisions of the department, in

respect to the institutions under the ~~director's~~ administrator's control, the director of the Iowa Department of Corrections, in respect to the institutions under the department's control, and the State Board of Regents in respect to the Iowa Braille and Sight Saving School and the Iowa School for the Deaf may send any inmate, student, or patient of an institution, or any person committed or applying for admission to an institution, to the hospital of the medical college of the state university for treatment and care as provided in this chapter, without securing the order of court required in other cases. The Department of Human Services, the Iowa Department of Corrections, and the State Board of Regents, shall respectively pay the traveling expenses of any patient thus committed, and when necessary the traveling expenses of an attendant for such patient, out of funds appropriated for the use of the institution from which the patient is sent. (Code I.C. 255.28)

**7.05 Purchasing (Approved by the Board in July)**

**7.06 Risk Management and Insurance**

**A. ~~7.29~~ Risk Management**

**1. ~~A.~~ Authority to Insure**

- a. ~~I.C. §517A.1 authorizes and empowers the Board to purchase and pay the premiums on liability, personal injury, and property damage insurance; the form and liability limits of such policies shall be subject to approval by the Attorney General.~~**

~~All state commissions, departments, boards, and agencies . . . of the state of Iowa not otherwise authorized are hereby authorized and empowered to purchase and pay the premiums on liability, personal injury, and property damage insurance covering all officers, proprietary functions, and employees of such public bodies, including volunteer firefighters, while in the performance of any or all of their duties, including operating an automobile, truck, tractor, machinery, or other vehicles owned or used by said public bodies, which insurance shall insure, cover, and protect against individual personal, corporate, or quasi-corporate liability that said bodies or their officers or employees may incur.~~

~~The form and liability limits of any such liability insurance policy purchased by any commission, department, board, or agency of the state of Iowa shall be subject to the approval of the Attorney General. (Code I.C. 517A)~~

**2. ~~B.~~ Executive Director Authority**

- a. ~~The executive director is authorized to purchase property damage insurance for all institutions under the State Board of Regents on the basis of the low bids and in accordance with principles previously approved by the Board. (Board of Regents Minutes July 14-15, 1966, p. 157; August 11-12, 1966, pp. 623-64; June 23-24, 1955, p. 476; March 11-12, 1965, p. 3834; October 11-12, 1973, pp. 1856-188; July 16, 1986, p. 3740)~~**
- b. ~~Report of such purchases need not be made to the Board provided that the executive director has determined that there is no unusual circumstance which requires the attention of the Board. (Board of Regents Minutes July 14-15, 1966, p. 157)~~**
- c. ~~Any unusual circumstance that requires the attention of the Board will be docketed by the executive director~~The executive director will docket any unusual circumstance that requires the attention of the Board. (Board of Regents Minutes August 11-12, 1966, pp. 623-64)**

**C. ~~Shared Risk Management~~**

~~(The Code I.C. section which laid out the various responsibilities and set up the risk management division of the Department of General Services was repealed in 1989.)~~

3. ~~D.~~ Building Insurance

a. Regent institutions will insure buildings under the following guidelines:

1) 1. Property to be insured:

- a) ~~a.~~ Property pledged for indebtedness.
- b) ~~b.~~ Property acquired from sources other than state appropriations for which replacement by the state could not reasonably be expected.
- c) ~~c.~~ Property which is essential to produce income for self-supporting activities.
- d) ~~d.~~ Property consigned or loaned if required by consignee or lender.
- e) ~~e.~~ Buildings under construction.
- f) ~~f.~~ Academic/general funded facilities. ~~(Board of Regents Minutes March 16, 1994, p. 7068)~~

b. 2. Perils to be insured:

- 1) a. Fire; windstorm; lightning; earthquake and floods, where such coverage is appropriate; extended coverage and/or all risk. ~~(Board of Regents Minutes March 16, 1994, p. 7068)~~
- 2) b. Vandalism and malicious mischief.

c. 3. Type of insurance:

- 1) a. Builder's risk.
- 2) b. Property coverage--90 percent coinsurance on a replacement cost basis. (Valuations for buildings to be based on valuation appraisals mutually agreeable to the insurers and the institution)
- 3) c. Loss of earnings.
- 4) d. Catastrophic insurance with a single incident deductible of \$2 million for each university for general fund buildings and \$1 million for each special school. ~~(Board of Regents Minutes March 16, 1994, p. 7068; November 20-21, 1996, p. 409)~~

d. 4. Insurance companies:

- 1) a. Nonassessable mutual companies licensed in Iowa.
- 2) b. Stock companies licensed in Iowa. ~~(Board of Regents Minutes April 20, 1983, pp. 555-57)~~

4. ~~E.~~ Self-Insurance Program for Automobile Liability

a. Effective July 1986 the Board established a self-insurance program for automobile liability. Effective October 1, 1996, the Board expanded coverage of the Regents' vehicles self-insurance pool program to include comprehensive and collision coverage for vehicles owned by the institutions and collision, damage waiver coverage for rental vehicles (\$250 deductible). (Board of Regents Minutes September 17-18, 1996, p. 232)

b. The principal elements of the automobile liability self-insurance program are as follows:

- 1) Each institution pays a monthly premium per vehicle; premiums are to be adjusted periodically based upon claims experience,
- 2) Each Regent institution shares the automobile liability exposure of all Regent institutions up to claims of \$250,000. Approved claims greater than \$250,000 are paid from standing, unlimited appropriations by the State Appeal Board.
- 3) The University of Northern Iowa is treasurer with respect to the "premiums" received from individual institutions and the approved payments made to claimants.
- 4) The institutions are to work with the Board Office to determine and implement the most efficient and effective claims processing for this program.

~~All claims are processed through the State Appeal Board prior to payment. The State Appeal Board decision on payment or nonpayment is final, excepting the claimant's right to pursue the claim in court.~~

~~The Department of General Services provides claim service and works with the University of Northern Iowa to issue payments to claimants when appropriate.~~

- 5) The Attorney General's Office supplies investigative and legal work and provides representation before the State Appeal Board.
- 6) Institutional risk managers and the Board Office will periodically review the rates charged and other aspects of the program and make recommendations as appropriate.

~~(Board of Regents Minutes, July 16, 1986, pp. 378-40).~~

B. ~~N.~~ Purchase of Insurance

1. IAC §681—8.4 provides broad guidelines for purchases of insurance relative to lowest net cost, coverages, and builder's risk insurance.

1.1. ~~Insurance is purchased from the company offering the lowest net cost. Consideration is given to rates, dividend experience, and financial responsibility.~~

~~Any changes in present insurers made in compliance with this provision are, where practical, made upon expiration of present insurance contracts. (Iowa Administrative Code 681-8.4[1])~~

- ~~2. 2.——~~ Unless needed for a shorter period, insurance should be purchased for terms of three years, with annual payment of premium, if possible. Insurance contracts which require purchase of stock or premium deposits should not be purchased. ~~(Board of Regents Minutes January 12-13, 1967, p. 317)~~
- ~~3. 3.——~~ ~~Insurance coverages, authorized by the Regents, are purchased upon authorization of the chief business officer of each institution on the basis of the low competitive bid or quotation and in accordance with principles approved by the Board. (See Regent Minutes of June 23, 1955, p. 476.)~~ Such Insurance purchases need not be reported to or approved by the Board, provided that the chief business officer has determined that there is no unusual circumstance which requires special attention of the Board. ~~(Iowa Administrative Code 681-8.4[2])~~
- ~~4. 4.——~~ In circumstances where the best interests of the state seem to indicate, the selection of a professional insurance broker of conventional insurance for buildings and contents is endorsed in principle by the Board. In such circumstances, the proposed selection of a professional insurance broker shall be brought to the Board for action. The circumstances and the proposed criteria for selection of a professional insurance broker shall be included in any requested action.
- ~~5. Builder's risk insurance may be required of contractors, and certification of such coverage provided in each instance when required in the notice to bidders. (Iowa Administrative Code 681-8.4[3])~~
- ~~6.——~~ See section 7.29 of this Guide for supporting guidelines on risk management. ~~(Board of Regents Minutes April 20, 1983, pp. 555-557)~~

C. 7.12—— Casualty Loss Claims (I.C. 29C.20)

- ~~1. A.——~~ All loss occurrences of \$5,000 or less shall be absorbed by the Regent institutions (unless the aggregate of all such losses in any fiscal year exceeds \$15,000 for the University of Iowa and Iowa State University, \$10,000 for the University of Northern Iowa, or \$5,000 for the Iowa School for the Deaf or the Iowa Braille and Sight Saving School).
- ~~2. B.——~~ Claims for all losses estimated to exceed \$5,000 (or annual aggregate of all losses of \$5,000 or less which exceed \$15,000 for the University of Iowa and Iowa State University, \$10,000 for the University of Northern Iowa, or \$5,000 for the Iowa School for the Deaf or the Iowa Braille and Sight Saving School) shall follow the formal internal procedures.
- ~~3. C.——~~ Formal internal procedures for reporting and payment of losses due to disaster are as follows:

- a. ~~1.~~—The institution shall be responsible for prompt notification of the Board Office under procedures established administratively. Such notification shall occur no later than the next regular working day following the loss.
- b. ~~2.~~—A representative of the Board Office will normally contact both the secretary of the State Executive Council and a representative of the State Auditor's Office. The Board Office representative will give the aforementioned officials general information ~~and will seek authority, on behalf of the institution, to proceed with emergency work. The institution shall be notified by the Board Office of this authorization, if granted.~~
- c. ~~3.~~—The institution should prepare immediately and submit to the Board Office within five working days of the loss a brief written description of the damage and/or loss, including preliminary cost estimates of the loss sustained. The institution should proceed to draw up necessary plans and specifications for repairs, equipment, buildings, etc.
- d. ~~4.~~—The institution shall then prepare and submit a formal report of the loss to the Board Office. The report would include a description of the loss and cost estimates for restoration and replacement of property damaged and destroyed. Such report shall be submitted within 45 days of the occurrence, unless permission for an extension of time has been formally granted by the Board Office.
- e. ~~5.~~—The Board Office would, after review of the formal written report, request the Executive Council to allocate funds by resolution and to authorize the institution to proceed with necessary repairs and replacement in accordance with Board of Regents established policy and procedures.
- ~~6. Following Executive Council action on the above request, if favorable, the institution would proceed with repairs and replacement in accordance with Board of Regents procedures.~~
- f. ~~7.~~—The Executive Council, on advice of the state auditor, would prescribe how claims are to be submitted for reimbursement and would approve payment forms for reimbursement. Claims usually can be submitted for payment either as accumulated during the life of the project or upon completion of the project.
- g. ~~8.~~—All requests for claims shall be submitted to the Board Office for transmittal to the Executive Council.
- ~~9. Each institution shall file with the Board Office a semiannual status report dated July 1 and January 1 on those projects for which the Executive Council has allocated funds and which have not been finally reported prior to the closing date for the report.~~
- ~~10. A final report shall be prepared and transmitted to the Board Office on each project immediately after receipt of the final payment on a project.~~

4. ~~D.~~ Executive Council of Iowa Guidelines for the Allocation of 29C.20 Funds.

- a. ~~1.~~ The loss must be reported to the secretary of the Executive Council and to the auditor of state on or before the end of the next regular working day following the loss.
- b. A written request for an allocation to the Executive Council including an estimate of the amount of the loss and a description of the loss shall be submitted within 60 days. The estimate should be based on quotation, contracts, catalog prices, etc. To speed the process, copy the letter to the Auditor's Office.
- c. After the Auditor's Office has reviewed the claim and recommended the allocation, the request will be presented to the Executive Council at the next available meeting.
- d. After the allocation request has been approved by the Executive Council, the agency may incur the costs and submit the invoice(s), along with a cover letter referencing the 29C.20 claim, to the Executive Council.
- e. After the Auditor's Office has reviewed the invoices and recommended payment, the cost items will be presented to the Executive Council for approval.
- f. After the Executive Council has approved the cost item, the invoice will be paid by the Treasurer's Office.
2. ~~Any losses claimed for theft must be accompanied with a police report written by the appropriate security force for the jurisdiction submitting the claim.~~
3. ~~Expenses for necessary demolition, debris removal and cleanup will be allowed.~~
4. ~~Expenses to provide necessary repairs to protect or preserve the damaged property until the ensuing session of the Legislature will be allowed.~~
5. ~~Expenses essential to the continuation of a program or service until the ensuing session of the Legislature will be allowed.~~
6. ~~All permanent repairs or acquisition of replacement tools or supplies, which are estimated to cost in excess of \$500,000 per loss, will be referred to the Legislature for an appropriation, except in those instances where the cost of temporary measures could reasonably be expected to exceed the cost of permanent repairs or replacement within the dollar guidelines established herein.~~
7. ~~No claim will be allowed for the replacement of any equipment damaged or destroyed, the loss of which could have been avoided by reasonable care, prudence, and foresight.~~

- ~~8. No claim will be allowed for the repair or replacement of any property which is not owned by the state or federal government. For the purposes of this rule, claims for state property will be allowed when inventoried in accordance with the rules promulgated by the Department of General Services. Claims for federal property will be allowed when the acquisition of such property was authorized by the terms of a grant.~~
- ~~9. All claims against 29C.20 funds shall be forwarded by the secretary of the Executive Council to the auditor for review and recommendation. In all cases, a copy of the auditor's recommendation shall be forwarded to the claiming agency. Whenever the auditor does not approve the total amount claimed, he shall seek to resolve the differences with the claiming agency. If the differences cannot be resolved, the agency may provide the Council with a written response and/or request a personal appearance before the Executive Council.~~
- ~~10. All requests for warrants against an Executive Council allocation shall first be reviewed and a recommendation made to the Executive Council by the auditor of state. In all cases, a copy of the auditor's recommendations shall be forwarded to the claiming agency. Whenever the auditor does not approve the total amount requested, the auditor shall seek to resolve the differences with the claiming agency. If the differences cannot be resolved, the agency may provide the Council with a written response and/or request a personal appearance before the Executive Council.~~

5. E. Claims on crop losses resulting from natural phenomena, defined as wind, hail, or rain, will be allowed. The determination of the extent of a loss shall use the Agricultural Stabilization Conservation Society yield/acre for each farm as a base. Such yields are based on a three-year average, as determined from Corn Stability Reading, average rainfall, and state average. An initial loss estimate will be established within 30 days of the loss. Losses shall be covered in a manner similar to the meaning of "all risk" coverage by private carriers. Losses early in the season may be established as the cost of replanting and resultant yield loss due to lateness of the season, while late season losses will be established as actual loss per acre. The percent of loss for each claim will be determined through use of an independent third party trained adjuster.

Any single loss occurrence of \$5,000 or less shall be absorbed until the aggregate of all such losses exceeds \$15,000 per Board of Regents higher education institution in any fiscal year. All crop loss claims occurring after the annual aggregate is reached may be submitted during the remainder of the fiscal year for the amount exceeding the \$15,000 aggregate.

- ~~F. A contingent fund is created in the state treasury for the use of the Executive Council which may be expended for the purpose of paying the expenses of suppressing any insurrection or riot, actual or threatened, when state aid has been rendered by order of the Governor, and for repairing, rebuilding, or restoring any state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause, and for aid to any governmental subdivision in an area declared by the Governor to be a disaster area due to natural disasters or to expenditures necessitated by the governmental~~

~~subdivision toward averting or lessening the impact of such potential disaster, where the effect of such disaster or such action on the governmental subdivision is the immediate financial inability to meet the continuing requirements of local government. Upon application by a governmental subdivision in such an area, accompanied by a showing of obligations and expenditures necessitated by such actual or potential disaster in such form and with such further information as the Executive Council may require, such aid may be made in the discretion of the Executive Council and, if made, shall be in the nature of a loan up to a limit of 75 percent of the showing of such obligations and expenditures. The loan, without interest, shall be repaid by the maximum annual emergency levy as authorized by Section 24.6. The aggregate total of such loans shall not exceed one million dollars during any fiscal year. A loan shall not be for any obligation or expenditure occurring more than two years previous to the application. (Board of Regents Minutes November 10-12, 1966, p. 217<sup>8</sup>; March 14-15, 1968, p. 384<sup>5</sup>; December 9-10, 1971, p. 329<sup>32</sup>; January 13-14, 1972, p. 381<sup>2</sup>; January 11-12, 1973, p. 462<sup>5</sup>; Board Office memorandum dated February 24, 1975; Executive Council Guidelines for 29C.20 Claims, dated January 15, 1980; Section 29C.20, Code of Iowa I.C. [in part]; March 13, 1980, p. 496<sup>7</sup>; January 20, 1983, pp. 396-397)~~

D. 7.13 — Fire Protection Contracts

1. A. — The State Board of Regents shall have power to enter into contracts with the governing body of any city, town, or other municipal corporation for the protection from fire of any property under the control of the Board, located in any such municipal corporation or in territory contiguous thereto, upon such terms as may be agreed upon. (Code I.C. §262.33)
2. B. — New contracts or renewal of contracts shall be brought to the Board for approval. Annual payments as specified in a multi-year contract previously approved by the Board shall be made by the institution involved without further Board approval. (~~Board of Regents Minutes March 11-12, 1971, p. 418<sup>9</sup>~~)

E. 7.20 — Surety Bonds

1. A. — State officials are not required to obtain bonds, but may be covered under a blanket bond for state employees. The blanket bond purchases shall be made in an amount and with the level of assumption of risk by the state that is determined by the Department of General Services. The state shall pay the reasonable cost of bonds under this section. (Code I.C. §64.6 as revised by 1986 Acts, Chapter 1211)
2. B. — Each treasurer need not purchase a surety bond. (~~Board of Regents Minutes December 19, 1990, p. 290<sup>1</sup>~~)
3. C. — The Regent institutions may purchase a fidelity bond and crime insurance covering the loss of property by employees up to \$10 million per incident and covering the loss of money and securities by non-employees up to \$2 million per incident. (~~Board of Regents Minutes September 17-18, 1996, p. 232~~)

F. 7.21 — Liability and Liability Claims

~~A. Reserved.~~

~~Section I.C. § 504A.101 of the Code I.C.,~~ dealing with the "Nonprofit Corporation Act," states that: Except as otherwise provided in this chapter, a director, officer, member or other volunteer is not personally liable in that capacity, for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the corporation, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit. ~~(1987 amendment)~~

~~B. Chapter 25A of the Code I.C. was transferred to Chapter 669 by the Code Editor for Code I.C. 1993.~~

## 7.27 7.07 Compliance and Reporting

A. 7.06 ~~Financial Reports~~

1. ~~A.~~ The executive officer of each ~~of said~~ Regent institutions shall, ~~on or before the first day of August of each even-numbered year,~~ make a report to the Board, setting forth such observations and recommendations for appropriations for the ensuing budget period as in the executive officer's judgment are for the benefit of the institution, ~~and also the executive officer's recommendations of a budget for the several colleges and departments of the institution, in detail, and estimates of the amount of funds required therefor for the ensuing biennium.~~ (Code of Iowa I.C. Chapter 262.24)
2. ~~B.~~ The secretarial business officers shall, for each ~~the~~ institution ~~of which they act as secretary, on or before August 1 of each year,~~ shall report to the Board in such detail and form as it may prescribe:
  - a. 1. The funds available each fiscal year from all sources for the erection, equipment, improvement, and repair of buildings.
  - b. 2. Interest on endowment and other funds, tuition, state appropriations, laboratory and janitor fees, donations, rents, and income from all sources affecting the annual income of the support funds of said institution.
  - c. 3. How the funds so received were expended, giving under separate heads the cost of instruction, administration, maintenance and equipment of departments, and the general expense of the institution.
  - d. 4. The number of professors, instructors, fellows, and tutors, and the number of students enrolled in each course during each year, stating separately the number of students attending short courses.
  - e. 5. The amount of unexpended balances of departments remaining in the hands of the treasurer and the amounts undrawn from the state treasury on June 30 of each year.

f. The report for the Iowa State University of Science and Technology shall also show the receipts of the experiment station from all sources for each fiscal year, and how the same were expended. (~~Code of Iowa I.C.~~ Chapter 262.25)

3. ~~C.~~—The Board shall, ~~biennially~~, at the time provided by law, report to the Governor and the Legislature such facts, observations, and conclusions respecting each of such institutions as in the judgment of the Board should be considered by the Legislature. Such report shall contain an itemized account of the receipts and expenditures of the Board, and also the reports made to the Board by the executive officers of the several institutions or a summary thereof, and shall submit budgets for ~~biennial~~ appropriations deemed necessary and proper to be made for the support of the several institutions and for the extraordinary and special expenditures for buildings, betterments, and other agreements. (~~Code of Iowa I.C.~~ Chapter 262.26)

B. 7.14—Gifts and Grants

1. ~~A.~~—The Board shall accept and administer trusts and may authorize nonprofit foundations acting solely for the support of institutions governed by the Board to accept and administer trusts deemed by the Board to be beneficial. Notwithstanding the provisions of ~~Section I.C. § 633.63 of the Code I.C.~~, the Board and such nonprofit foundations may act as trustee in such instances. (~~Code I.C. §262.9[78]~~)

2. ~~B.~~—The chief executive officer of each institution is authorized to accept and approve all gifts, grants, and service contracts except gifts of real estate, ~~which shall be docketed for Board action.~~

Gifts, grants, and service contracts are to be accepted only if supportive of the mission of the institution. ~~Activities supported by such outside funding are to be adjusted corresponding to fluctuation in outside funding levels. No gifts, grants, or service contracts are to be accepted without approval of the Board which need now, or may need in the future, additional appropriations to supplement such outside funding. (Board of Regents Minutes September 21, 1978, pp. 146-147)~~

3. ~~C.~~—Each institution, on or before the 15th day of each month, shall send ~~four copies of~~ the report of gifts and grants that was received during the preceding month to the executive director for transmittal to the director of the Department of Management, ~~and~~ the director of the Legislative Fiscal Bureau, ~~and to the director of the Department of Economic Development.~~ The members of the Board of Regents shall receive an ~~semi~~-annual report detailing amounts, sources, and purposes of these gifts and grants. The Board Office shall retain one copy of all reports for its files. The institution will make this report in the form currently used to comply with ~~I.C. § Section 8.44, of the Code I.C.~~ (~~Board of Regents Minutes August 11-12, 1966, p. 62; January 15-16, 1970, p. 2525; September 21, 1978, pp. 146-147)~~)

4. Each university, on or before the 15<sup>th</sup> day of the month following the end of the quarter, shall send, electronically to the Board Office, the detail of gifts and

grants for the quarter for transmittal to the designated individual of the Legislative Fiscal Bureau. The Board Office shall retain one copy of all reports for its files.

~~D. Each institution, on or before the 15th day of each month, shall send to the Board Office a copy of all federal grant application cover pages and budget forms submitted to federal agencies during the preceding month. The executive director shall transmit this material to the Department of Economic Development. (Chapter 15, Code I.C.)~~

~~E. Each institution shall forward to the Board Office two copies of a Federal Funds Pre-Application Questionnaire. After review by the Board Office staff, one copy will be forwarded to the director of the Department of Management and the second copy will be retained in Board Office files. The questionnaire is to be provided for federal fund applications for all purposes other than research. (Board of Regents Minutes September 21, 1978, pp. 146-147)~~

C. 7.30 — Policy on Competition with Private Enterprise

1. IAC 681—9.4 implements I.C. Chapter 23A, which restricts government entities from competing with private enterprise, unless specifically authorized by statute, rule, ordinance, or regulation.
2. The Board has adopted a policy that Regent institutions shall not engage in competition with private enterprise unless the activity will assist in the education, research, extension, or service mission of the institutions.
3. To fulfill their missions effectively, institutions under the control of the Board occasionally provide goods and services which enhance, promote, or support the instructional, research, public service, and other functions to meet the needs of students, faculty, staff, patients, visitors, and members of the public participating in institutional events.
4. Each institution has established written policies regarding competition with private enterprise. These policies ensure that:
  - a. Activities provided by the institutions are consistent with Board policy.
  - b. Processes are identified to handle inquiries about activities carried out by the institution.
  - c. There is a means for community businesses to interact with the institutions including discussion of complaints.
5. Annually, a report will be provided to the Board of institutional activities which may compete with private enterprises, including any formal complaints related to competition with private enterprise, during the past calendar year.

~~A. Policy Statement A primary responsibility of the Board of Regents is to oversee institutions whose missions include the creation and dissemination of knowledge. These missions encompass teaching, research and services.~~

~~To fulfill their missions effectively, institutions under the control of the State Board of Regents occasionally provide goods and services which enhance, promote or support the instructional, research, public service and other functions to meet the needs of students, faculty, staff, patients, visitors and members of the public participating in institutional events.~~

~~It is the policy of the Board of Regents that the institutions shall not engage in competition with private enterprise unless the activity will assist in the education, research, extension or service mission of the institutions.~~

~~All activities involving the sale of goods, services or facility usage shall be in accordance with an authorization and statement of purpose approved by the chief business officer at each institution. This approval will be given only after review which demonstrates that one or more of the following conditions is met:~~

- ~~1. The activity is deemed to be an integral part of the institution's educational, research, public service and campus support functions, and other educational and support activities.~~
- ~~2. The activity is needed to provide an integral good or service which is not reasonably available in the community; or the activity is needed to provide an integral good or service at time, price, location or terms which are not reasonably available in the community.~~
- ~~3. The activity is carried out for the primary benefit of the campus community and is incidental to the education, research, service or extension missions of the university.~~
- ~~4. The activity is carried out due to the importance of maintaining the quality of the institution.~~

~~B. Definitions "Private enterprise" means an individual, firm, partnership, joint venture, corporation, association or other legal entity engaging in the manufacturing, processing, sale, offering for sale, rental, leasing, delivery, dispensing, distributing or advertising of goods or services for profit.~~

~~"Institutions under the control of the State Board of Regents" means the State University of Iowa, the University of Northern Iowa, Iowa State University of Science and Technology, Iowa School for the Deaf and Iowa Braille and Sight Saving School.~~

~~C. Policy in Writing Each institution under the control of the State Board of Regents shall have in writing:~~

- ~~1. A mechanism for reviewing proposed activities involving the sale of goods, provision of services, or usage of facilities to ensure that activities are consistent with Board of Regents' policies; and~~

- ~~2. A procedure for receiving, reviewing and responding to inquiries about activities carried out by the institution.~~
- ~~D. Prohibition~~ State Board of Regents institutions shall not engage in activities provided by private enterprise except as provided below.
- ~~E. Exceptions Provided by Statute~~ This prohibition does not apply to the on-campus activities of an institution under the control of the State Board of Regents as provided in Iowa Code I.C. Section § 23A.2(10)"k"(1) to (10).
- ~~F. Exemptions~~ The State Board of Regents exempts the following activities from the prohibition against competition with private enterprise.
  - ~~1. Goods and services that are directly and reasonably related to the mission of the institution including (activities such as):~~
    - ~~a. conferences, institutes, outreach programs, specialized centers and other efforts and programs which provide continuing education;~~
    - ~~b. child day care services and health services provided to members of the university community;~~
    - ~~c. education media, publication, distribution and audiovisual centers and services;~~
    - ~~d. family and guest housing;~~
    - ~~e. laundry, custodial, maintenance and similar services.~~
  - ~~2. Goods and services offered to only students, employees or guests of the institution or school and which cannot be provided by private enterprise at the same or lower cost, including (activities such as):~~
    - ~~a. gift shops which offer a limited and specialized array of goods;~~
    - ~~b. specialized instruction in the visual or performing arts;~~
    - ~~c. dormitory-based shops which serve students and offer a limited range of goods.~~
  - ~~3. The acquisition, maintenance and use of institutional aircraft and a vehicle fleet maintained for the purpose of transportation for educational and related purposes, including field trips.~~
  - ~~4. Durable medical equipment or devices sold or leased for use off premises of an institution, school or University of Iowa Hospitals and Clinics when~~
    - ~~a. the equipment is needed to initiate or effectuate a treatment regimen (i.e., implants); or~~

- ~~b. the equipment is essential to a rehabilitation program (i.e., crutches, prostheses); or~~
- ~~c. the equipment is of a specialized nature and is not reasonably available elsewhere (i.e., customized or adaptive equipment for the handicapped); or~~
- ~~d. a short-term supply of equipment is provided to avoid disruption in a treatment regimen when a patient is discharged.~~
- ~~5. Goods or services which are not otherwise available in the quantity or quality required by the institution, including (activities such as) specialized course materials, equipment, supplies, software and publications.~~
- ~~6. Telecommunications systems utilized for communications within the institution's community of interest and broadcast and narrowcast communication systems, including microwave, fiber optic and satellite communications.~~
- ~~7. Facilities, programs and associated support services for fitness and recreation initiated and maintained primarily for the benefit of students, faculty and staff.~~
- ~~8. Food services and sales located on campus and initiated and maintained primarily for the benefit of students, faculty, staff and guests of the institution.~~
- ~~9. Sales of books, records, tapes, software, educational equipment and supplies offered primarily to students, faculty and staff of the institution; sales of personal computers and associated hardware pursuant to institutional policy and limited to students, faculty and staff.~~
- ~~G. Provision for Consultation with Community and Related Business Interests~~

~~Each institution under the control of the [State](#) Board of Regents shall establish a mechanism for consultation with business interests in its community or area. This will involve the chief financial officer of the institution, and representatives of the institution, and will include the following:~~

  - ~~1. Advising the institution on policies and procedures regarding the sale of goods or services which might compete with private enterprise.~~
  - ~~2. Making recommendations, at the request of the institution, on particular activities.~~
  - ~~3. Other duties as may be requested by the institution.~~
- ~~H. Appeal Process~~

~~An appeal process is essential for resolving complaints involving competition with private enterprise.~~

  - ~~1. A private enterprise which seeks to appeal an action or activity of an institution under the control of the [State](#) Board of Regents shall attempt to~~

resolve the issue at the institutional level. The form of appeal to the institution shall be a letter to the chief business officer.

2. If the private enterprise is dissatisfied with the institution's response, the private enterprise may notify the Executive Director of the [State Board of Regents](#) and request assistance. This request shall be in writing and shall describe the action or activity which is being appealed.
3. The Executive Director may then take action to assist the private enterprise and the institution in resolving the issue.
4. If the issue remains unresolved, the Executive Director, at the request of the private enterprise, may docket the matter for review by the Board of Regents. If the matter is docketed, the Executive Director will prepare a recommendation for the Board of Regents to consider. A copy of the recommendation with notice of the time, date and place of the meeting for which the matter has been docketed shall be transmitted to the private enterprise and the institutions prior to the meeting.
5. Board of Regents action shall constitute a final agency action.

—(Board of Regents Minutes June 21-22, 1989, p. 919)

D. 10.07 —Traffic and Parking Regulations

1. —A.—I.C. 262.68 authorizes the Board to establish speed limits for all vehicles on the institutional roads and streets. ~~The maximum speed limit of all vehicles on institutional roads at institutions under the control of the [State Board of Regents](#) shall be 45 miles per hour. All driving shall be confined to roads or streets ~~driveways~~ designated by the [State Board](#). Whenever the [State Board](#) shall determine that the speed limit hereinbefore set forth is greater than is reasonable or safe under the conditions found to exist at any place of congestion or upon any part of its institutional roads, ~~the~~ said Board shall determine and declare a reasonable and safe speed limit ~~thereat~~ which shall be effective when appropriate signs giving notice ~~thereof~~ are erected at such places of congestion or other parts of its institutional roads. Any person violating the aforementioned speed limits shall be guilty of a simple misdemeanor. —(Code [I.C.](#) §262.68)~~
2. —B.—I.C. 262.69 authorizes the Board to make rules for the policing, control, and regulation of traffic and parking of vehicles and bicycles on the property of any institution under its control. ~~The [State Board of Regents](#) may make such rules as it deems necessary and proper to provide for the policing, control, and regulation of traffic and parking of vehicles and bicycles on the property of any institution under its control. The rules may provide for the use of institutional roads, driveways, and grounds; registration of vehicles and bicycles; the designation of parking areas; the erection and maintenance of signs designating prohibitions or restrictions; the installation and maintenance of parking control devices; and assessment, enforcement, and collection of reasonable sanctions for the violation of the rules.~~

~~Any rules made pursuant to this section may be enforced under procedures adopted by the Board for each institution under its control. Sanctions may be imposed upon students, faculty, and staff for violation of the rules, including, but not limited to, a reasonable monetary sanction which may be deducted from student deposits and faculty or staff salaries or other funds in the possession of the institution, or added to student tuition bills. The rules made pursuant to this section may also be enforced by the impoundment of vehicles and bicycles parked in violation of the rules; and a reasonable fee may be charged for the cost of impoundment and storage prior to the release of the vehicles and bicycles to their owners. Each institution under the control of the Board shall establish procedures for the determination of controversies in connection with imposition of sanctions. The procedures shall require giving notice of the violation and the sanction involved and provide an opportunity for an administrative hearing. Judicial review of the administrative ruling may be sought in accordance with the terms of the Iowa Administrative Procedures Act. ([Code I.C. §262.69](#))~~

~~3. —C.—~~ All traffic and parking regulations shall be subject to Board approval prior to enforcement. Changes in existing regulations, general or specific, shall be brought to the Board annually for approval.

~~4. [If any change in traffic and parking regulations include an increase in monetary sanctions, notification of students is to be consistent with §8.01 of this Policy Manual.](#)~~

~~5. —D.—~~ General traffic and parking regulations for each university shall be filed in accordance with Chapter 17A, Iowa Administrative Procedure Act. (Regulations are in [IAC](#) Chapter 681-4, [Iowa Administrative Code](#).)

~~E. [10.08](#)—~~ Records Management and Examination of Public Records

~~1. —A.—~~ Records Management

~~a. [I.C. §304.17 requires the Board of Regents to adopt rules for their employees, agencies, and institutions for records management. The Board's rules are in Chapter 10.](#)~~ The Board Office and each institution governed by the Board of Regents shall develop internal rules and regulations for the economical, efficient, and systematic management of its records. Each institutional and Board Office records management system shall be approved by the Board of Regents, ~~when found by the Board to be consistent with the objectives of Chapter 304 of the [Code I.C.](#) ([Iowa Administrative Code](#) 681-10.1)~~

~~—B.—~~ Records System Each system shall incorporate the following:

~~1. Procedures dealing with records of transactions of the official business of the institution or Board Office, including design, handling, maintenance, filing, storage, and security.~~

~~2. Procedures dealing with utilization of space, equipment, and supplies.~~

- ~~3. Standards and sSchedules for retention of records, and the form in which they are to be retained, either in offices or archives.~~
- ~~4. Standards and sSchedules for destruction of records and the method to be used.~~
- ~~5. Standards for reproduction of records. (Iowa Administrative Code 681-10.2)~~

~~C. Public Inspection of RecordsThe system governing the records management procedure for each institution and the Board Office shall be available for public inspection at the respective institution and the office of the executive director of the, State Board of Regents, Old Historical Building, in Des Moines, Iowa, Iowa 50319. (Iowa Administrative Code 681-10.3)~~

~~b. These rules are intended to implement Chapter 304 of the Code I.C.~~

~~2. D. Examination of Public Records (I.C. 22)~~

The following language excerpts and paraphrases key statutory provisions applying to the Board ~~and Regent institutions:~~ of Regents as found in Chapter 22 of the Code of Iowa I.C.

- ~~1. The term "government body" means this state, or any county, city, township, school corporation, political subdivision, tax-supported district, non-profit corporation other than a county or district fair or agricultural society, whose facilities or indebtedness are supported in whole or in part with property tax revenue and which is licensed to conduct pari-mutuel wagering pursuant to chapter 99D, or other entity of this state, or any branch, department, board, bureau, commission, council, committee, official or officer, of any of the foregoing or any employee delegated the responsibility for implementing the requirements of this chapter.~~
- ~~2. The term "lawful custodian" means the government body currently in physical possession of the public record. The custodian of a public record in the physical possession of persons outside a government body is the government body owning that record. The records relating to the investment of public funds are the property of the public body responsible for the public funds. Each government body shall delegate to particular officials or employees of that government body the responsibility for implementing the requirements of this chapter and shall publicly announce the particular officials or employees to whom responsibility for implementing the requirements of this chapter has been delegated. "Lawful custodian" does not mean an automated data processing unit of a public body if the data processing unit holds the records solely as the agent of another public body, nor does it mean a unit which holds the records of other public bodies solely for storage.~~
- ~~a. 3. As used in this chapter, "Public records" includes all records, documents, tape or other information, stored or preserved in any medium, of or belonging to this state or any county, city, township, school corporation, political~~

~~subdivision, nonprofit corporation other than a county or district fair or agricultural society, whose facilities or indebtedness are supported in whole or in part with property tax revenue and which is licensed to conduct pari-mutuel wagering pursuant to chapter 99D, or tax-supported district in this state, or any branch, department, board, bureau, commission, council, or committee of any of the foregoing.~~

"Public records" also includes all records relating to the investment of public funds including but not limited to investment policies, instructions, trading orders, or contracts, whether in the custody of the public body responsible for the public funds or a fiduciary or other third party.

~~b. 4.—Every person shall have the right to examine and copy public records and to publish or otherwise disseminate public records or the information contained therein as provided by law. The right to copy records shall include the right to make photographs or photographic copies while the records are in the possession of the custodian of the records. All rights under this section are in addition to the right to obtain certified copies of records under [section §622.46, Code of Iowa I.C.](#)~~

~~5.—A government body shall not prevent the examination or copying of a public record by contracting with a nongovernment body to perform any of its duties or functions.~~

~~However, notwithstanding subsections 2. and 3., a government body which maintains a geographic computer data base is not required to permit access to or use of the data base by any person except upon terms and conditions acceptable to the governing body. The governing body shall establish reasonable rates and procedures for the retrieval of specified records, which are not confidential records, stored in the data base upon the request of any person.~~

~~c. 6.—Such examination and copying shall be done under the supervision of the lawful custodian of the records or the custodian's authorized deputy. The rules adopted by the Board are in IAC Chapter 17. The lawful custodian may adopt and enforce reasonable rules and regulations regarding such work and the protection of the records against damage or disorganization. The lawful custodian shall provide a suitable place for such work; but, if it is impracticable to do such work in the office of the lawful custodian, the person desiring to examine or copy shall pay any necessary expenses of providing a place for such work. All expenses of such work shall be paid by the person desiring to examine or copy. The lawful custodian may charge a reasonable fee for the services of the lawful custodian or the custodian's authorized deputy in supervising the records during such work. If copy equipment is available at the office of the lawful custodian of any public records, the lawful custodian shall provide any person a reasonable number of copies of any public record in the custody of the office upon the payment of a fee. The fee for the copying service as determined by the lawful custodian shall not exceed the cost of providing the service.~~

- ~~7. The rights of persons under this chapter may be exercised at any time during the customary office hours of the lawful custodian of the records. However, if the lawful custodian does not have customary office hours of at least thirty hours per week, such right may be exercised at any time from nine o'clock a.m. to noon and from one o'clock p.m. to four o'clock p.m. Monday through Friday, excluding legal holidays, unless the person exercising such right and the lawful custodian agree on a different time.~~
- ~~8. The provisions of this chapter and all rights of persons under this chapter may be enforced by mandamus or injunction, whether or not any other remedy is also available. In the alternative, rights under this chapter also may be enforced by an action for judicial review according to the provisions of the Iowa administrative procedure Act, if the records involved are records of an "agency" as defined in that Act.~~
- ~~9. It shall be unlawful for any person to deny or refuse any citizen of Iowa any right under this chapter, or to cause any such right to be denied or refused. Any person knowingly violating or attempting to violate any provision of this chapter where no other penalty is provided shall be guilty of a simple misdemeanor.~~
- ~~d. 10. —~~ ~~Those~~ see following public records which shall be kept confidential unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release information are detailed in I.C. § 22.7. ÷
  - ~~a. Personal information in records regarding a student, prospective student, or former student maintained, created, collected or assembled by or for a school corporation or educational institution maintaining such records.~~
  - ~~b. Hospital records, medical records and professional counselor records of the condition, diagnosis, care, or treatment of a patient or former patient or a counselee or former counselee, including outpatient.~~
  - ~~c. Trade secrets which are recognized and protected as such by law.~~
  - ~~d. Records which represent and constitute the work product of an attorney, which are related to litigation or claim made by or against a public body.~~
  - ~~e. Peace officers' investigative reports, except where disclosure is authorized elsewhere in the Code I.C.. However, the date, time, specific location, and immediate facts and circumstances surrounding a crime or incident shall not be kept confidential under this section, except in those unusual circumstances where disclosure would plainly and seriously jeopardize an investigation or pose a clear and present danger to the safety of an individual.~~
  - ~~f. Reports to governmental agencies which, if released, would give advantage to competitors and serve no public purpose.~~

- ~~g. Appraisals or appraisal information concerning the purchase of real or personal property for public purposes, prior to public announcement of a project.~~
- ~~h. Iowa Department of Economic Development information on an industrial prospect with which the department is currently negotiating.~~
- ~~i. Criminal identification files of law enforcement agencies. However, records of current and prior arrests shall be public records.~~
- ~~j. Personal information in confidential personnel records of the military division of the Department of Public Defense of the state.~~
- ~~k. Personal information in confidential personnel records of public bodies including but not limited to cities, boards of supervisors, and school districts.~~
- ~~l. The records of a library which, by themselves or when examined with other public records, would reveal the identify of the library patron checking out or requesting an item or information from the library. The records shall be released to a criminal justice agency only pursuant to an investigation of a particular person or organization suspected of committing a known crime. The records shall be released only upon a judicial determination that a rational connection exists between the requested release of information and a legitimate end and that the need for the information is cogent and compelling.~~
- ~~m. The material of a library, museum or archive which has been contributed by a private person to the extent of any limitation that is a condition of the contribution.~~
- ~~n. Information in a report to the Iowa Department of Public Health, to a local board of health, or to a local health department, which identifies a person infected with a reportable disease.~~
- ~~o. Records of identity of owners of public bonds or obligations maintained as provided in section 76.10, [Code of Iowa I.C.](#), or by the issuer of the public bonds or obligations. However, the issuer of the public bonds or obligations and a state or federal agency shall have the right of access to the records.~~
- ~~p. Communications not requested by law, rule, or procedure that are made to a government body or to any of its employees by identified persons outside of government, to the extent that the government body receiving those communications from such persons outside of government could reasonably believe that those persons would be discouraged from making them to that government body if they were available for general public examination. Notwithstanding this provision:~~

- ~~1) The communication is a public record to the extent that the person outside of government making that communication consents to its treatment as a public record.~~
  - ~~2) Information contained in the communication is a public record to the extent that it can be disclosed without directly or indirectly indicating the identity of the person outside of government making it or enabling others to ascertain the identity of that person.~~
  - ~~3) Information contained in the communication is a public record to the extent that it indicates the date, time, specific location, and immediate facts and circumstances surrounding the occurrence of a crime or other illegal act, except to the extent that its disclosure would plainly and seriously jeopardize a continuing investigation or pose a clear and present danger to the safety of any person. In any action challenging the failure of the lawful custodian to disclose any particular information of the kind enumerated in this paragraph, the burden of proof is on the lawful custodian to demonstrate that the disclosure of that information would jeopardize such an investigation or would pose such a clear and present danger.~~
- ~~q. Examinations, including but not limited to cognitive and psychological examinations for law enforcement officer candidates administered by or on behalf of a governmental body, to the extent that their disclosure could reasonably be believed by the custodian to interfere with the accomplishment of the objectives for which they are administered.~~
- ~~r. Memoranda, work products and case files of a mediator and all other confidential communications in the possession of an approved dispute resolution center, as provided in chapter 679, [Code of Iowa I.C.](#) Information in these confidential communications is subject to disclosure only as provided in section 679.12, notwithstanding this chapter.~~
- ~~s. Information concerning the nature and location of any archaeological resource or site if, in the opinion of the state archaeologist, disclosure of the information will result in unreasonable risk of damage to or loss of the resource or site where the resource is located. This subsection shall not be construed to interfere with the responsibilities of the federal government or the state historical preservation officer pertaining to access, disclosure, and use of archaeological site records.~~
- ~~t. Information concerning the nature and location of any ecologically sensitive resource or site if, in the opinion of the director of the department of natural resources after consultation with the state ecologist, disclosure of the information will result in unreasonable risk of damage to or loss of the resource or site where the resource is located. This subsection shall not be construed to interfere with the responsibilities of the federal government or the director of the department of natural resources and the state ecologist pertaining to access, disclosure, and use of the ecologically sensitive site records.~~

- u. ~~Marketing and advertising budget and strategy of a nonprofit corporation which is subject to this chapter. However, this exemption does not apply to salaries or benefits of employees who are employed by the nonprofit corporation to handle the marketing and advertising responsibilities.~~
- v. ~~The information contained in records of the centralized employee registry created in Iowa Code chapter 252G, except to the extent that disclosure is authorized pursuant to chapter 252G.~~
- w. ~~Records and information obtained or held by independent special counsel during the course of an investigation conducted pursuant to I. C. §section 68B.34, Code of Iowa I.C. Information that is disclosed to a legislative ethics committee subsequent to a determination of probable cause by independent special counsel and made pursuant to section 68B.31 is not a confidential record unless otherwise provided by law.~~
- x. ~~Memoranda, work products, and case files of a mediator and all other confidential communications in the possession of a mediator, as provided in Iowa Code chapter 86, Code of Iowa I.C. Information in these confidential communications is subject to disclosure only as provided in section 86.44, notwithstanding any other contrary provision of this chapter.~~

~~10.10 Publications (Code I.C. 262.9)~~

- ~~3. The Board shall, with the approval of the Executive Council, publish from time to time and distribute such circulars, pamphlets, bulletins, and reports as may be in its judgment for the best interests of the institutions under its control, the expense of which shall be paid out of any funds in the treasury not otherwise appropriated.~~

~~F. 10.11 — Administrative Procedure Act~~

- ~~1. —A.—The Board of Regents operates in compliance with the Iowa Administrative Procedure Act, pursuant to Iowa Code I.C. Chapter 17A, Code of Iowa I.C.~~
- ~~2. —B.—Each Regent institution establishes institutional under the Board of Regents has its own procedures tofor administering Iowa Code I.C. Chapter 17A, subject to Board approval as necessary, Code of Iowa I.C. Refer to Chapters 12 through 16, Board of Regents [681], Iowa Administrative Code.~~
- ~~3. —C.—When a timely request for making an oral presentation in regard to a rule is presented to the Board as provided by Section I.C. § 17A.4, the executive director will set a time and place for the presentation. The time will be not less than 20twenty days after notice is published in the Iowa Administrative Bulletin. The notice will state whom the executive director has designated to conduct the presentation, the subject matter, and the location.~~
  - ~~a. In addition to the rules adopted by the Board in IAC Chapter 19, The the person in charge of a public hearing may, in his/hertheir discretion, announce~~

and invoke any or all of the following rules for ~~the~~ orderly conduct and the proper decorum: ~~for holding of public hearings:~~

- b. ~~1.~~—Request that those present sign an attendance roll giving their names and addresses and representative status, if any;
- c. ~~2.~~—Request that those requesting to make oral presentations, including those entitled to make oral presentations, sign a roster, giving their names and addresses and representative status, if any;
- d. ~~3.~~—Permit oral presentations from anyone present or by a spokes~~person~~~~man~~ for those present, including those not otherwise entitled to make an oral presentation;
- e. ~~4.~~—Limit individual oral presentations to a fixed time;
- f. ~~5.~~—Fix the time for the entire public hearing;
- g. ~~6.~~—Establish and amend the agenda and the order of oral presentations;
- h. ~~7.~~—Cause unruly or disorderly persons to be ejected;
- i. ~~8.~~—Make and enforce other reasonable regulations for the good order and the proper decorum for the conduct of the public hearing. (~~Iowa Administrative Code 681-11.4~~)

~~(Iowa Administrative Code 681-11.4)~~

G. ~~10.18~~—Matters for the State Executive Council

- 1. Items to be submitted to the State Executive Council shall be submitted through the executive director. (~~Board of Regents Minutes September 17-18, 1986, pp. 214-216~~)
  - a. Subsequent to Board approval for any transactions requiring Executive Council approval, institutions are to submit a letter to the Board Office, under institutional head signature, requesting that the transaction be submitted to the Executive Council for approval. The letter should include the following information:
    - 1) Information on Board approval of the transaction with date of approval, a short description, and the approved purchase or sale price;
    - 2) The legal description of for the transaction (include as an attachment to the letter if the description is lengthy);
    - 3) A general description of the transaction as presented to the Board in the docket memorandum, including a map of the property (if used for the docket item);

- 4) Justification for the transaction, source of funds (for property purchases), and the planned use of the proceeds (for property sales); and
- 5) Any additional information beyond that presented to the Board that may be needed for Executive Council consideration.
- 6) Requests will be reviewed in the Board Office. Upon satisfactory submission of all requested data, the Executive Director will forward the institutional request to the Executive Council for its consideration (along with the Attorney General's Office review of the transaction).

b. The institution is responsible for arrangements when institutional officials are to attend an Executive Council meeting to discuss the transaction. The institution should notify the Board Office of these arrangements.

H. ~~10.09~~ — ~~Conflict of Interest of Public Officers and Employees - Sales and Purchases and Prohibited Interest in Public Contracts (Code I.C. Iowa Code I.C. 68B) (Board of Regents Minutes March 23-24, 1988, pp. 628-629) (Code I.C. 68B.4) (Board of Regents Minutes December 19, 1990, p. 297)~~

1. A. IAC §681—8.9 details the Board's policy on conflict of interest in public contracts and identifies specific conditions for exceptions to those policies.
2. When requesting Board action on potential conflict of interest vendors, the Regent institutions shall submit, in addition to the information required by IAC §681—8.9(3), that the institution has adequate internal controls in place to ensure that the individual is so precluded from decisions.

~~It is the policy of the State Board of Regents that no employee of a Regent institution, employee of the Regents Board Office or member of the Board, shall sell, either directly or indirectly, any goods or services to any Regent institution or Board Office, except under the following conditions: 1. The Board of Regents must give its consent. The individual who wishes to sell goods or services must not participate in giving that consent. Further, the individual will be precluded from participating not only in the initial decision to purchase and to authorize, but also in all subsequent approvals which might include payment vouchers, contract amendments, or any substantive changes to such agreements. (Board of Regents Minutes December 18, 1997, p. 499)~~

- ~~2. The responsibilities of the individual who wishes to sell goods or services must be such that they are not related to the regulatory authority of the Board over the institution or the Board Office. Moreover, the selling of goods or the providing of services by the individual must not affect the individual's responsibilities at the Board. As such, review and approval authorizations must exist that will screen out potential conflicts of interest that could unduly influence decisions based upon providing such goods or services.~~

- ~~3. An individual who sells goods or provides services to Board institutions or the Board Office cannot include, as part of that exchange, the requirement that the individual serve as an advocate for the institution or office to the Board.~~
- ~~4. The selling of goods or the providing of services to a Board institution or Board Office cannot be an indirect means of selling goods or providing services to the Board.~~
- ~~B. When Authorization Required. Each Regent institution or the Board Office, prior to entering into any single contract exceeding \$1,000 or into a contract which results in \$2,000 in contracts in the aggregate for a fiscal year with an individual referred to in Section A. above, shall have received prior authorization from the Board of Regents. Prior authorization can be given on a per occurrence basis or on the basis of approval by the Regents of a list of individuals. Once approved by the Board, an individual will remain on the approved master list maintained by the institution or office transacting business with the individual.~~
- ~~4.C. Authorization Process. Such requests for authorizations shall be in writing and signed by the employee or Board member requesting consent and shall include the individual's name, the individual's job responsibilities, the name of the individual's firm if applicable, a listing of goods or services to be supplied, a supporting narrative comment as to the rationale for doing business with the individual and an explanation of why the sale will not create a conflict of interest or provide financial gain by virtue of one's position within the agency.~~
- ~~5.D. Emergency Purchases. Purchases from such individuals that are critical to sustaining patient care or human life, maintaining critical research equipment, or similar instances, must be approved by the vice-president for business and finance, superintendent or their equivalent title, or designees, with subsequent approval by the Board of Regents at the next scheduled meeting.~~
- ~~6.E. Reporting. Regent institutions and the Board Office shall include, with their annual purchasing report to the Board, a summary of the preceding fiscal year's purchases from individuals approved under Procedural Guide **per Subrule 10.09(B)**. The report will contain a narrative, where appropriate, relative to changes from the prior fiscal year in scope of services or goods provided including, for example, assumption of additional product lines, expanded service capabilities, and any other pertinent information that may have an effect upon increased volume for a particular individual or firm.~~
- ~~7.F. Competitive Bidding. All purchases of goods or services by Regent institutions, the Board Office or Board also must comply with applicable bidding requirements.~~
- ~~8.G. Effect of Other Laws. Neither these rules nor any consent provided under them constitutes consent for any activity which would constitute a conflict of interest at common law or which violates any applicable statute or rule. Notwithstanding Board consent under these rules, it is the responsibility of the individual selling the goods or services to ensure compliance with all applicable laws, and to avoid both impropriety and the appearance of impropriety.~~

9.H. ~~Definition.~~ For the purpose of these rules, the definition of employees shall be as follows: Employee shall mean a paid employee of the State of Iowa, the employee's spouse or minor children, and any firm of which any of those persons is partner or sole proprietor, as well as any corporation of which any of those persons holds five percent or more stock either directly or indirectly.

10.I. ~~Board of Regent institutions shall take appropriate steps to notify employees, vendors, and suppliers of Regent policy on conflict of interest.~~

11.J. ~~This policy shall be incorporated in the operations manual of Regent institutions, along with any other provisions relating to the subject of an explanatory or more specific or restrictive character.~~

3. K. ~~Employees, officers, and members of the Board of Regents also shall comply with the Code of Iowa I.C., Chapter 68B, "Conflicts of Interest of Public Officers and Employees-"~~ and Chapter 4 of the Regent Policy Manual.

~~(Board of Regents Minutes November 18, 1981, pp. 284-288; March 23-24, 1988, pp. 628-629, April 21, 1993, p. 717).~~

## 7.08 Audit Activity

### A. 7.05 Audits

#### 1. A. State Audits

a. ~~1. The auditor of state shall annually, and oftener if deemed necessary, make a full settlement between the state and all state officers and departments and all persons receiving or expending state funds, and shall annually make a complete audit of the books and accounts of every department of the state,~~ a quarterly audit of the educational institutions, and audit testing of the Board's investments. (I.C. 11.2)

2. ~~A preliminary audit of the educational institutions . . . shall be made periodically, at least quarterly, to check the monthly reports submitted to the office of the director of Revenue and Finance as required by Section 421.31, Subsection 6, and that a final audit of such state agencies shall be made at the close of each fiscal year.~~

3. ~~The auditor of state shall make or cause to be made and filed and kept in the auditor's office written reports of all audits and examinations, which reports shall set out in detail the following:~~

a. ~~The actual condition of such department found to exist on every examination.~~

b. ~~Whether, in the auditor's opinion:~~

1) ~~All funds have been expended for the purpose for which appropriated.~~

- ~~2) The department so audited and examined is efficiently conducted, and if the maximum results for the money expended are obtained.~~
- ~~3) The work of the departments so audited or examined needlessly conflicts with or duplicates the work done by any other department.~~
- ~~c. All illegal or unbusinesslike practices.~~
- ~~d. Any recommendations for greater simplicity, accuracy, efficiency, or economy in the operation of the business of the several departments and institutions.~~
- ~~e. Comparisons of prices paid and terms obtained by the various departments for goods and services of like character and reasons for differences therein, if any.~~
- ~~f. Any other information which, in the auditor's judgment, may be of value.~~

~~All such reports shall be filed and kept in the auditor's office.~~

- ~~2.~~ 4. Each department and institution of the state shall keep its records and accounts in such form and by such methods as to be able to exhibit in its reports the matters required by the auditor of state, unless otherwise specifically prescribed by law. Each department and institution of the state shall keep its records and accounts in a current condition. The failure of the head of ~~any department~~ any department of the state to comply with this provision shall be grounds for their suspension from office. (~~Code I.C. § 11.5~~)
- ~~3.~~ 5. The Board Office will receive from the State Auditor's Office all draft State audit comments and recommendations ~~which will be transmitted to all Regents for their review. (Board of Regents Minutes January 11, 1989, pp. 462-463; and Banking Committee Minutes of October 17, 1990, p. 6)~~
- ~~4.~~ Proposed institutional responses to State audit comments and recommendations will be developed by the institutions in consultation with the Board Office. The proposed responses must be approved by the Executive Director before they are submitted to the State Auditor's Office. (~~Banking Committee Minutes of October 17, 1990, p. 6~~)
- ~~5.~~ A copy of all state audits related to a Regent institution shall be, upon completion, sent to the Board Office for docketing on the Banking Committee agenda.

~~B.~~ B. Internal Audits

- ~~1.~~ 1. Purpose. The ~~Iowa State~~ Board of Regents authorizes the University presidents to hire internal audit staff to provide independent appraisal services to the Board and institutional administrators. Internal auditing is a managerial control which functions by measuring and evaluating the effectiveness of other financial and managerial controls.

2. ~~2.~~ Objective and Scope. The objective of internal auditing is to assist the ~~Iowa State~~ Board of Regents and institutional administrators in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations and pertinent comments concerning the activities reviewed. The attainment of this objective involves such activities as:
  - a. ~~a.~~ Reviewing and appraising the soundness, adequacy and application of accounting, administrative and other operating controls, and promoting effective control at reasonable cost.
  - b. ~~b.~~ Ascertaining the extent of compliance with established policies, plans and procedures.
  - c. ~~c.~~ Ascertaining the extent to which assets are accounted for and safeguarded from losses of all kinds.
  - d. ~~d.~~ Ascertaining the reliability of management data developed within the organization.
  - e. ~~e.~~ Conducting special examinations and reviews at the request of the Banking Committee, the Board of Regents or institutional heads.
  - f. ~~f.~~ Evaluating the economy and efficiency with which resources are employed and recommending improvements in operations, including reviews of administrative and support services with the objective of reducing operating costs.
3. ~~3.~~ Authority. The internal audit staffs are authorized by the Board of Regents to conduct a comprehensive program of internal auditing. To accomplish their objectives, the internal auditors are authorized to have unrestricted access to university functions, records, properties and personnel. The three universities have internal auditors to perform these functions. The University of Iowa internal auditor is responsible for internal audits at the Iowa School for the Deaf. The Iowa State University internal auditor is responsible for internal audits at the Iowa Braille and Sight Saving School.
4. ~~4.~~ Reporting. The internal audit staffs report to the University presidents, and where appropriate, to the Superintendents of the special schools, for all auditing activities except those related to the offices of President and Superintendent. Audit activities related to the offices of President and Superintendent are to be reported directly to the President of the Board of Regents. ~~The audit staff at Iowa State University is responsible for internal audits at the special schools.~~
5. ~~5.~~ Responsibility. Each year, the internal audit staffs will develop and execute a comprehensive audit plan to be conducted in accordance with applicable professional auditing standards. A comprehensive report on the internal audit function will be made to the Board through the Banking Committee in July of each year.

6. The report will include the annual audit plan, review of all previous fiscal year audits completed and in progress, including any follow-up reviews and any audits which were scheduled but not done, and a list of all audits completed within the last three fiscal years.
7. A copy of each internal audit report and follow-up review, upon its completion, will be sent to the Board Office for docketing on the Banking Committee agenda.
8. Any activity which is illegal or the legality of which is questioned by the audit staff (e.g. conflict of interest, embezzlement or theft) shall be reported to the appropriate institutional administrator or President of the Board (consistent with Section 4 of this policy) immediately upon discovery by audit staff. Other appropriated authorities should also be notified.
9. In the performance of their functions, internal audit staff have no direct responsibility for, nor authority over, any of the activities and operations reviewed. ~~(Board of Regents Minutes April 21, 1993, p. 717)~~

#### ~~7.08 — Annual Audit of Securities~~

~~An annual audit of all securities owned as of June 30 shall be made by the institutional treasurer or the treasurer's designated representative and officials from the office of the auditor of the state. Securities in the custody of the Board shall be audited by a representative of the Board Office and the auditor of the state. A certified copy of the audit report shall be filed in the Board Office. (Board of Regents Minutes August 11-12, 1966, p. 623; November 8-10, 1967, p. 1745)~~

#### C. 7.19 — Hospital Audits and Rates

1. ~~A. —~~ To arrive at proper basis for the payment of said bills for treatment, care, and maintenance [of indigent patients], the ~~State~~ Board of Regents shall cause to be made annually an audit of the accounts of the University Hospital and determine the average cost per day for the care and maintenance of each patient therein, exclusive of the salaries of the members of the faculty of said university College of Medicine, and said bills shall be allowed at such average cost. All accounts shall be so adjusted and paid as to reimburse the funds of the hospital used for the purposes of this chapter. ~~(Code I.C. 255.25)~~
2. ~~B. —~~ The University of Iowa Hospitals and Clinics will arrange for an Annual external audits of hospital accounts will be made by the University Hospital and shall submit, upon completion, a copy of the audit to be docketed on the Banking Committee agenda. Rate schedules will be presented to the board annually for approval. (Board of Regents Minutes November 11-12, 1966, p. 218)

D. External Audits

A copy of all external audits conducted on any component of a Regent institution (such as bonded enterprises or Graduate Study Centers) shall be, upon completion, sent to the Board Office for docketing on the Banking Committee agenda.

~~7.11 — Disposal, Transfer, and Sale of Buildings~~ (To be moved to Chapter 9)

~~7.16 — (Reserved)~~ (Deleted)

~~7.17 — (Reserved)~~ (Deleted)

~~7.18 — Laboratory Schools~~ (Code I.C. 265) (To be moved to Chapter 6)

~~7.24 — Student Fees~~ (Previously moved to Chapter 8)

~~7.25 — Tuition Policy~~ (Previously moved to Chapter 8)

~~7.26 A. Tuition for Part-Time Students~~ (Previously moved to Chapter 8)

~~7.26 B. Tuition for Students Taking an Overload~~ (Previously moved to Chapter 8)

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## BUSINESS PROCEDURES

### 7.01 Authority

- A. A business office shall be maintained at each of the institutions of higher learning, with such organizations, powers, and duties as the Board may prescribe and delegate. (I.C. §262.20)

### 7.02 General Policies

#### A. Budgets

##### 1. Budget Process

- a. The Board's strategic plan requires it to continue its long-standing practice of seeking state appropriations annually.
  - 1) The chronological appropriations process for the institutions governed by the Board of Regents includes the following:
    - a) Regent institutions develop institutional appropriation requests based on the established criteria for operating and capital requests.
    - b) The Board considers preliminary institutional operating appropriations requests at its July meeting.
    - c) Between July and September, Board Office staff visit the institutions, as necessary, to gather additional information, discuss priorities, and refine the appropriations requests.
    - d) At its September meeting, the Board approves institutional appropriations requests.
    - e) By October 1, the Board-approved appropriations requests are submitted to the Governor, as required by law.
    - f) The Governor prepares state appropriations recommendations, including appropriations recommendations for Regent institutions prior to the legislative session.
    - g) During the legislative session, the General Assembly and Governor consider and authorize appropriations.

##### 2. Appropriations Request Criteria

###### a. Operating Requests Criteria

- 1) Relationship of initiatives to institutional strategic plans, which also guide capital budget requests.

- 2) Prior appropriations for similar or connected initiatives.
- 3) External funding which provides a leverage of state resources.
- 4) Impact of initiatives on state's economic development.
- 5) Equity among institutions.
- 6) Accountability.
- b. Capital Requests Criteria
  - 1) Relationship of projects to institutional strategic plans.
  - 2) Priority order of projects in the prior Board-approved five-year plan.
  - 3) Priority ranking of projects as submitted by institutions.
  - 4) Prior appropriations for planning and/or construction.
  - 5) Consistency of the project with the campus master plan.
  - 6) External funding which provides a leverage of state resources.
  - 7) Impact of projects on state's economic development.
  - 8) Equity among institutions.
  - 9) Accountability.
3. Budget Approvals – All institutional budgets are to be approved by the Board.
4. Budget Transfers
  - a. The chief executive officer of each institution is authorized to approve budget transfers and allocations, except those transfers that increase the current approved budget or the budget ceiling or those required by loan agreements and bond resolutions and building repair allocations exceeding \$100,000. The exceptions shall be docketed by each institution for Board action, and such action shall be recorded in the Board minutes.
  - b. The chief executive officer of each institution is authorized to approve supplemental budgets which are supported by gifts, grants, and service contracts.
5. Budget Ceilings
  - a. Regent institutions will docket for Board action proposed changes in budget ceilings for General Fund operations and will do so prior to institutional action modifying their obligations.

B. Collection of Delinquent Accounts

1. Authority: I.C. §262.15 provides that the Board shall have charge of the foreclosure of all mortgages and of all collections from delinquent debtors to said institutions. All actions shall be in the name of the Board of Regents, for the use and benefit of the appropriate institution.
2. A collection policy shall be established at the Regent institutions to ensure responsible fiscal management of receivables. The objectives of the collection policy are to combine both internal and external collection resources in a manner which will maximize collection experience.
3. External collection techniques shall allow the use of independent collection agencies selected through a competitive process.
4. To provide staff with an understanding of collection techniques and a well defined collections process to facilitate effective collection practices, the staff at the institutions will be made familiar with collection policies.
5. Collection policies should be publicized so that obligation to pay and payment procedures are clearly understood. Collection policies concerning students shall be displayed on or at, but not limited to, the following sources:
  - a. Schedule of courses book
  - b. Brochures to newly-admitted students
  - c. Pamphlets for off-campus packets
  - d. Points of sale
  - e. Statements mailed each month to students
  - f. Loan and note documents
  - g. University catalog
6. Collection policies concerning general accounts should be displayed.
7. The Regent institutions should remain in compliance with: the Iowa Consumer Credit Code, Chapter 537, I.C.; Medicare bad debt regulations; long-term federally regulated student loan policies; account confidentiality as defined by the I.C., the Federal Right to Privacy Act, the Buckley Amendment for protection of student records; and Regent institutional policy; and any other regulatory agencies that impose criteria for the billing of Regent institution accounts.
8. In addition to the aforementioned objectives, procedures and collection techniques, each Regent institution shall maintain its own more detailed written policies.
9. The Regent institutions are encouraged to participate in the state's offset program for collection purposes.

10. The institutions shall handle their own uncollectible student loans with settlements carried out through statutory procedures. Any changes in current or new policies are to be docketed by the chief business officer for Board action.

C. Indirect Cost Rate

1. The policy of the Board of Regents is to provide services to other state agencies based on contractual agreements that include clearly specified tasks related to the missions of the institutions and established payment for both direct and indirect costs. This policy is consistent with standard management practices and provides equitable support of programs conducted from all sources of funding by institutions under the jurisdiction of the Board of Regents.
2. For federal programs, the provisions of OMB Circular A-21 will be followed.

D. Accounting Issues

1. The Board shall direct the expenditure of all appropriations made to the institutions and of any other moneys belonging thereto, but in no event shall the perpetual funds of the Iowa State University of Science and Technology, nor the permanent funds of the State University of Iowa derived under Acts of Congress, be diminished. (I.C. §262.9[7])
2. I.C. §262.23 requires a number of specific items for compliance by the treasurer of each Regent institution. The Business Officers of each institutions shall maintain accounting records and supporting documentation in accordance with accepted business standards for accountability and auditability and shall prepare reports as required, including an annual financial report.
3. All appropriations made payable annually to each of the institutions under the control of the Board of Regents shall be paid in 12 equal monthly installments on the last day of each month on order of said Board. (I.C. §262.28)
- 4.
5. Duly audited disbursement vouchers may be paid upon the signature of the assigned business officers.

E. Payroll Withholding

1. Payroll withholding programs are permitted according to the following guideline:
  - a. Withholdings authorized by federal or state laws.
  - b. Withholdings in connection with employee retirement and insurance plans approved by the Board of Regents.
  - c. Withholdings authorized by individual employees for institution-wide contributive programs of direct benefit.
  - d. Withholdings authorized by individual employees for United States savings bonds.

- e. Withholdings for amounts due the institution from and authorized by its employees.
  - f. Withholdings for amounts authorized by individual employees for dues for the convenience of organizations which relate to employment conditions, such as union organizations or university-wide professional organizations. Payroll withholding programs in this category shall not be initiated without 100 participants at Iowa State University and the University of Iowa, 50 participants at the University of Northern Iowa, and 25 participants at Iowa School for the Deaf and Iowa Braille and Sight Saving School, unless justification exists for fewer participants; payroll programs in this category may be discontinued if the number of participants falls below 25.
  - g. Insurance deductions in accordance with IAC 681—§8.7.
- 2. Each Regent institution shall require the employee or eligible organization to submit written authorization for payroll withholding for each withholding program, including the assent of the spouse of the employee, as required.
  - 3. The business officers are required to maintain such records as necessary for audit purposes.

F. Reimbursement of Travel Expenses for Employees of Regent Institutions

- 1. It is the intent of the Board of Regents that employees of Regent institutions be reimbursed for reasonable expenses associated with work-related travel.
- 2. It is the further intent of the Board that the Regent institutions adopt institutional policies consistent with this statement, along with any other provisions relating to travel reimbursements which are more specific or restrictive.
- 3. Some travel reimbursements may be taxable. For example, any meal reimbursement not associated with overnight travel is taxable income which must be reported in the next pay period. It is subject to federal and state income tax withholding and Social Security tax payments. Travel advances must be substantiated in a timely fashion (generally within 90 days of completion of travel) or they will be reported as taxable income.
- 4. Travel expense vouchers should be submitted promptly on return from the trip. Employees will be reimbursed for transportation, lodging, and meals on the following basis:
  - a. The use of state-owned vehicles is encouraged. However, transportation reimbursement for official travel by private automobile when the use of a personal car is authorized by the appropriate institutional official shall be paid at no more than:
    - 1) At a rate of \$.31 per mile, for travel when a motor pool vehicle is not available and the employee must use his/her personal vehicle.

- 2) At a rate of \$.25 per mile, for travel if a motor pool vehicle is available, but the employee chooses to use his/her own vehicle.
- 3) At a rate of \$.31 per mile, for travel when an employee chooses to use his/her own vehicle and the round trip is less than 100 miles.
- 4) At a rate to be determined by the institutions' chief business officer on a case-by-case basis when an individual must use a substantially modified or specially equipped privately owned vehicle.

- b. Air or rail transportation should be by common carriers.
- c. Meals would be reimbursed based on actual and reasonable costs using the following maximum guidelines:

	<u>In-State</u>	<u>Out-of-State</u>
b) Breakfast	\$ 5.00	\$ 8.00
c) Lunch	7.00	12.00
d) Dinner	<u>14.00</u>	<u>20.00</u>
	\$26.00	\$40.00

- d. The individual amounts for each meal would apply only in the case of persons being in travel status for partial days. Otherwise, the total amounts for each day would apply, thus allowing some discretion in adjusting meal allowances within the day.
- e. Exceptions to these meal standards requested in advance of travel could be accommodated if justified to senior university officials (e.g., vice presidents, business officers, collegiate deans, and major directors of administrative units). Exceptions not authorized in advance of travel may be considered by senior university officials only after careful review and consideration of any unanticipated costs incurred by the university traveler.
- f. Lodging reimbursement is limited to the actual/reasonable cost for a standard single room. Lodging rates set by Federal regulations will be used as a guide. This rate is reviewed and amended periodically.

#### 5. Reimbursement for Foreign Travel

- a. Meal and lodging policies and rates approved by the U.S. Department of State are to be followed unless university or granting agency regulations are more restrictive. For partial days of travel, one-fourth of the rate for a full day will be reimbursed for each six-hour period or the fraction thereof that the employee is in travel status.
- b. The traveler may be reimbursed at more than the standard per diem if approved by authorized university officials. The traveler must provide an explanation of the extenuating circumstances and original receipts supporting

all lodging and meal expenditures. Reimbursements in excess of the standard rates will not be approved if prohibited by granting agency regulations.

G. Selection of Employees and Agents Utilized in the Issuance of Bonds or Notes (I.C. §262.9(17) and IAC 681—8.8)

1. The IAC provides specific guidelines for the open selection process of financial advisors and bond counsel necessary to carry out the issuance of bonds or notes by the Board. Agreements are to provide for annual renewals during a period not to exceed five years.
2. Requests for proposals (RFP) for these services are to be brought before the Banking Committee. These RFP's will be sent to a list of candidate firms and any other firms the Banking Committee wishes to consider.
3. Representatives of the Board Office and the universities will review the submissions received in response to each of the RFP's, and recommend three or four finalist firms to be interviewed by a selection committee. The selection committee will be comprised of representatives of the Banking Committee, the Board Office, and the universities.
4. The Banking Committee will recommend the final selection of service providers for Board approval.

H. Awards to Private Agencies

1. I.C. §11.36 requires that Regent institutions, prior to awarding a grant or a purchase of service contract of more than \$50,000, shall obtain from the auditor of state a certification of the entity's accounting system and an evaluation of its internal controls.

I. Inventory (Moved to Chapter 9 except the following paragraph)

1. Pursuant to I.C. Chapter 7A.30 , all equipment valued at \$5,000 or more and held for one year or more shall be included in the institution's equipment inventory.
2. Surplus Property Disposal
  - a. Regent institutions and the Board Office have established surplus property disposal procedures to insure items defined as surplus by departments are placed within the institution to the extent feasible.
  - b. Items declared surplus and not placed within the institution or the Board Office may be disposed of in one or more of the following ways:
    - 1) Use as a trade in;
    - 2) Transfer to another Regent institution or state agency;
    - 3) Sell to highest bidder after soliciting three or more bids;

- 4) Auction to the highest bidder;
- 5) Sell internally through surplus sales open to the public;
- 6) Dismantle for parts utilization; and
- 7) Scrap if no other value can be determined.

- c. See Chapter 9 of the Policy Manual for disposal, transfer, or sale of buildings.

7.03 Banking and Investment Activity (Draft to be presented next Board meeting)

A. Investment Policy (Draft to be presented next Board meeting)

7.04 Financing

A. Mortgages and Loans

1. The Board of Regents may invest funds belonging to the institutions under its jurisdiction, subject to I.C. §262.14 , I.C. 633.123A, and the investment policies adopted by the Board through the use of mortgages and loans.
2. The Board shall have charge of the foreclosure of all mortgages and of all collections from delinquent debtors to the institutions under its jurisdiction. All actions shall be in the name of the Board of Regents, for the use and benefit of the appropriate institution. (I.C. §262.15)
3. When loans are paid, the Board shall release mortgages securing the same. (I.C. §262.16)
4. In case of a sale upon execution, the premises may be bid off in the name of the Board of Regents for the benefit of the institution to which the loan belongs. (I.C. §262.17)
5. Deeds for premises so acquired shall be held for the benefit of the appropriate institution and such lands shall be subject to lease or sale the same as other lands. (I.C. §262.18)
6. No lapse of time shall be a bar to any action to recover on any loan made on behalf of any institution. (I.C. §262.19)

B. Lease Financing of Equipment and Facilities

1. Upon the recommendation of the chief business officer of an institution the executive director may execute lease agreements on behalf of the institution with a third-party leasing agent with which the Board has approved master lease documents and when outstanding leasing is within dollar allocation amounts set by the Board.
  - a. Master lease drawdowns shall be reported to the Board's Banking Committee at its next meeting following the drawdown.

- b. Annual reports on outstanding master lease activity shall be made to the Board's Banking Committee.
  2. Vendor installment purchase agreements may be executed by the chief business officer of an institution under the delegated purchasing authority as outline in §7.05, Purchasing , subject to the provisions below:
    - a. Vendor installment purchase agreements with a total value of greater than \$250,000 for the universities and \$25,000 for the special schools shall be approved by the executive director and reported to the Banking Committee at its next meeting following the agreement date.
    - b. All vendor installment purchase agreements of \$50,000 or more shall be reported to the legislative fiscal bureau as required by I.C. §8.46 and to the Board in the Annual Purchasing Report.
    - c. Vendor installment purchase agreements shall meet all other standards pertaining to purchasing, including obtaining cash price quotes, and shall be evaluated against the relative economics of a cash purchase, the Board's Master Lease Agreement and other third-party leases.
  3. True leases of equipment where ultimate ownership of the equipment is not intended, other than through the future exercise of an option to purchase, may be executed by the chief business officer of an institution under the delegated purchasing authority.
- C. Academic Building Revenue Bond Proceeds.
  1. IAC §681—8.3 outlines procedures for purchase of equipment with academic revenue bonds. In addition to those procedures.
    - a. The institutions shall prepare bid tabulations in the normal format and submit to the Board of Regents Office for distribution.
    - b. Award of equipment orders shall be by the Board at a regular meeting and such award recommendations shall be made part of the Register of Capital Improvement Business Transactions.
  2. The procedures set forth in Chapter 9 of the Policy Manual shall also apply to the purchase of equipment exceeding \$25,000 as described above and funded by academic revenue bond proceeds.
- D. Parietal Rules and Dormitories
  1. Students may choose to live in university residence halls, university apartments, fraternities, sororities, or off-campus housing.
  2. When and if a requirement for a parietal rule requiring students to live in university housing is needed, in the university's judgment, to carry out the responsibility of the Board under its bond covenants to assure maximum

occupancy of the dormitories, the university shall first present a recommendation to the Board.

3. If the above parietal rule for any of the three Regent universities is to be invoked, the Board will publish notice before any enforcement of the parietal rule.
4. The Board encourages the directors of student housing and dining services to meet regularly to exchange information and to discuss policies, practices, and procedures and for the three universities to prepare appropriate information that will enable analysis trends in occupancy by class, sex, and age, and assist in the preparation of an annual report to the Board.
5. The Board covenants and agrees that, so long as any of the bonds (dormitory) shall remain outstanding, it will continuously operate and maintain the system; will adopt such rules and regulations for occupancy, including parietal rules, as will assure maximum occupancy of the buildings; and will fix, maintain, revise and adjust from time to time such rates, rents, fees, and charges for the use of said system as will provide revenues sufficient at all times to pay the reasonable cost of operating and maintaining the system and to provide and maintain the "Dormitory Revenue Bond Sinking Fund" and the required reserve therefore; that it will not permit any free use of the system; and that it will collect and account for and apply the rents, profits, income, and revenues in accordance with [its bond resolutions].

E. University of Iowa Hospitals and Clinics

1. Rate schedules will be presented to the Board annually for approval prior to submission of final budgets.
2. The director of the department of Human Services, in respect to institutions under the director's control, the administrator of any of the divisions of the department, in respect to the institutions under the administrator's control, the director of the Iowa Department of Corrections, in respect to the institutions under the department's control, and the Board of Regents in respect to the Iowa Braille and Sight Saving School and the Iowa School for the Deaf may send any inmate, student, or patient of an institution, or any person committed or applying for admission to an institution, to the hospital of the medical college of the state university for treatment and care as provided in this chapter, without securing the order of court required in other cases. The Department of Human Services, the Iowa Department of Corrections, and the Board of Regents, shall respectively pay the traveling expenses of any patient thus committed, and when necessary the traveling expenses of an attendant for such patient, out of funds appropriated for the use of the institution from which the patient is sent. (I.C. 255.28)

7.05 Purchasing (Approved by the Board in July)

7.06 Risk Management and Insurance

A. Risk Management

1. Authority to Insure

- a. I.C. §517A.1 authorizes and empowers the Board to purchase and pay the premiums on liability, personal injury, and property damage insurance; the form and liability limits of such policies shall be subject to approval by the Attorney General.

2. Executive Director Authority

- a. The executive director is authorized to purchase property damage insurance for all institutions under the Board of Regents on the basis of the low bids and in accordance with principles previously approved by the Board.
- b. Report of such purchases need not be made to the Board provided that the executive director has determined that there is no unusual circumstance which requires the attention of the Board.
- c. The executive director will docket any unusual circumstance that requires the attention of the Board.

3. Building Insurance

- a. Regent institutions will insure buildings under the following guidelines:
  - 1) Property to be insured:
    - a) Property pledged for indebtedness.
    - b) Property acquired from sources other than state appropriations for which replacement by the state could not reasonably be expected.
    - c) Property which is essential to produce income for self-supporting activities.
    - d) Property consigned or loaned if required by consignee or lender.
    - e) Buildings under construction.
    - f) Academic/general funded facilities.
  - b. Perils to be insured:
    - 1) Fire; windstorm; lightning; earthquake and floods, where such coverage is appropriate; extended coverage and/or all risk.
    - 2) Vandalism and malicious mischief.
  - c. Type of insurance:
    - 1) Builder's risk.
    - 2) Property coverage--90 percent coinsurance on a replacement cost basis. (Valuations for buildings to be based on valuation appraisals mutually agreeable to the insurers and the institution)
    - 3) Loss of earnings.

- 4) Catastrophic insurance with a single incident deductible of \$2 million for each university for general fund buildings and \$1 million for each special school.
- d. Insurance companies:
  - 1) Nonassessable mutual companies licensed in Iowa.
  - 2) Stock companies licensed in Iowa.
4. Self-Insurance Program for Automobile Liability
  - a. Effective July 1986 the Board established a self-insurance program for automobile liability. Effective October 1, 1996, the Board expanded coverage of the Regents' vehicles self-insurance pool program to include comprehensive and collision coverage for vehicles owned by the institutions and collision, damage waiver coverage for rental vehicles (\$250 deductible).
  - b. The principal elements of the automobile liability self-insurance program are as follows:
    - 1) Each institution pays a monthly premium per vehicle; premiums are to be adjusted periodically based upon claims experience,
    - 2) Each Regent institution shares the automobile liability exposure of all Regent institutions up to claims of \$250,000. Approved claims greater than \$250,000 are paid from standing, unlimited appropriations by the State Appeal Board.
    - 3) The University of Northern Iowa is treasurer with respect to the "premiums" received from individual institutions and the approved payments made to claimants.
    - 4) The institutions are to work with the Board Office to determine and implement the most efficient and effective claims processing for this program.
    - 5) The Attorney General's Office supplies investigative and legal work and provides representation before the State Appeal Board.
    - 6) Institutional risk managers and the Board Office will periodically review the rates charged and other aspects of the program and make recommendations as appropriate.

B. Purchase of Insurance

1. IAC §681—8.4 provides broad guidelines for purchases of insurance relative to lowest net cost, coverages, and builder's risk insurance.
2. Unless needed for a shorter period, insurance should be purchased for terms of three years, with annual payment of premium, if possible. Insurance contracts which require purchase of stock or premium deposits should not be purchased.
3. Insurance purchases need not be reported to or approved by the Board, provided that the chief business officer has determined that there is no unusual circumstance which requires special attention of the Board.
4. In circumstances where the best interests of the state seem to indicate, the selection of a professional insurance broker of conventional insurance for buildings and contents is endorsed in principle by the Board. In such circumstances, the proposed selection of a professional insurance broker shall be brought to the Board for action. The circumstances and the proposed criteria for selection of a professional insurance broker shall be included in any requested action.

C. Casualty Loss Claims (I.C. 29C.20)

1. All loss occurrences of \$5,000 or less shall be absorbed by the Regent institutions (unless the aggregate of all such losses in any fiscal year exceeds \$15,000 for the University of Iowa and Iowa State University, \$10,000 for the University of Northern Iowa, or \$5,000 for the Iowa School for the Deaf or the Iowa Braille and Sight Saving School).
2. Claims for all losses estimated to exceed \$5,000 (or annual aggregate of all losses of \$5,000 or less which exceed \$15,000 for the University of Iowa and Iowa State University, \$10,000 for the University of Northern Iowa, or \$5,000 for the Iowa School for the Deaf or the Iowa Braille and Sight Saving School) shall follow the formal internal procedures.
3. Formal internal procedures for reporting and payment of losses due to disaster are as follows:
  - a. The institution shall be responsible for prompt notification of the Board Office under procedures established administratively. Such notification shall occur no later than the next regular working day following the loss.
  - b. A representative of the Board Office will normally contact both the secretary of the State Executive Council and a representative of the State Auditor's Office. The Board Office representative will give the aforementioned officials general information.

- c. The institution should prepare immediately and submit to the Board Office within five working days of the loss a brief written description of the damage and/or loss, including preliminary cost estimates of the loss sustained. The institution should proceed to draw up necessary plans and specifications for repairs, equipment, buildings, etc.
  - d. The institution shall then prepare and submit a formal report of the loss to the Board Office. The report would include a description of the loss and cost estimates for restoration and replacement of property damaged and destroyed. Such report shall be submitted within 45 days of the occurrence, unless permission for an extension of time has been formally granted by the Board Office.
  - e. The Board Office would, after review of the formal written report, request the Executive Council to allocate funds by resolution and to authorize the institution to proceed with necessary repairs and replacement in accordance with Board of Regents established policy and procedures.
  - f. The Executive Council, on advice of the state auditor, would prescribe how claims are to be submitted for reimbursement and would approve payment forms for reimbursement. Claims usually can be submitted for payment either as accumulated during the life of the project or upon completion of the project.
  - g. All requests for claims shall be submitted to the Board Office for transmittal to the Executive Council.
4. Executive Council of Iowa Guidelines for the Allocation of 29C.20 Funds.
- a. The loss must be reported to the secretary of the Executive Council and to the auditor of state on or before the end of the next regular working day following the loss.
  - b. A written request for an allocation to the Executive Council including an estimate of the amount of the loss and a description of the loss shall be submitted within 60 days. The estimate should be based on quotation, contracts, catalog prices, etc. To speed the process, copy the letter to the Auditor's Office.
  - c. After the Auditor's Office has reviewed the claim and recommended the allocation, the request will be presented to the Executive Council at the next available meeting.
  - d. After the allocation request has been approved by the Executive Council, the agency may incur the costs and submit the invoice(s), along with a cover letter referencing the 29C.20 claim, to the Executive Council.
  - e. After the Auditor's Office has reviewed the invoices and recommended payment, the cost items will be presented to the Executive Council for approval.

- f. After the Executive Council has approved the cost item, the invoice will be paid by the Treasurer's Office.
5. Claims on crop losses resulting from natural phenomena, defined as wind, hail, or rain, will be allowed. The determination of the extent of a loss shall use the Agricultural Stabilization Conservation Society yield/acre for each farm as a base. Such yields are based on a three-year average, as determined from Corn Stability Reading, average rainfall, and state average. An initial loss estimate will be established within 30 days of the loss. Losses shall be covered in a manner similar to the meaning of "all risk" coverage by private carriers. Losses early in the season may be established as the cost of replanting and resultant yield loss due to lateness of the season, while late season losses will be established as actual loss per acre. The percent of loss for each claim will be determined through use of an independent third party trained adjuster.

Any single loss occurrence of \$5,000 or less shall be absorbed until the aggregate of all such losses exceeds \$15,000 per Board of Regents higher education institution in any fiscal year. All crop loss claims occurring after the annual aggregate is reached may be submitted during the remainder of the fiscal year for the amount exceeding the \$15,000 aggregate.

#### D. Fire Protection Contracts

1. The Board of Regents shall have power to enter into contracts with the governing body of any city, town, or other municipal corporation for the protection from fire of any property under the control of the Board, located in any such municipal corporation or in territory contiguous thereto, upon such terms as may be agreed upon. (I.C. §262.33)
2. New contracts or renewal of contracts shall be brought to the Board for approval. Annual payments as specified in a multi-year contract previously approved by the Board shall be made by the institution involved without further Board approval.

#### E. Surety Bonds

1. State officials are not required to obtain bonds, but may be covered under a blanket bond for state employees. The blanket bond purchases shall be made in an amount and with the level of assumption of risk by the state that is determined by the Department of General Services. The state shall pay the reasonable cost of bonds under this section. (I.C. §64.6)
2. Each treasurer need not purchase a surety bond.
3. The Regent institutions may purchase a fidelity bond and crime insurance covering the loss of property by employees up to \$10 million per incident and covering the loss of money and securities by non-employees up to \$2 million per incident.

#### F. Liability and Liability Claims

I.C. § 504A.101, dealing with the "Nonprofit Corporation Act," states that: Except as otherwise provided in this chapter, a director, officer, member or other volunteer is not personally liable in that capacity, for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the corporation, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

## 7.07 Compliance and Reporting

### A. Financial Reports

1. The executive officer of each Regent institution shall, make a report to the Board, setting forth such observations and recommendations for appropriations for the ensuing budget period as in the executive officer's judgment are for the benefit of the institution.. (I.C. Chapter 262.24)
2. The business officers for each institution shall report to the Board in such detail and form as it may prescribe:
  - a. The funds available each fiscal year from all sources for the erection, equipment, improvement, and repair of buildings.
  - b. Interest on endowment and other funds, tuition, state appropriations, laboratory and janitor fees, donations, rents, and income from all sources affecting the annual income of the support funds of said institution.
  - c. How the funds so received were expended, giving under separate heads the cost of instruction, administration, maintenance and equipment of departments, and the general expense of the institution.
  - d. The number of professors, instructors, fellows, and tutors, and the number of students enrolled in each course during each year, stating separately the number of students attending short courses.
  - e. The amount of unexpended balances of departments remaining in the hands of the treasurer and the amounts undrawn from the state treasury on June 30 of each year.
  - f. The report for the Iowa State University of Science and Technology shall also show the receipts of the experiment station from all sources for each fiscal year, and how the same were expended. (I.C. Chapter 262.25)
3. The Board shall, at the time provided by law, report to the Governor and the Legislature such facts, observations, and conclusions respecting each of such institutions as in the judgment of the Board should be considered by the Legislature. Such report shall contain an itemized account of the receipts and expenditures of the Board, and also the reports made to the Board by the executive officers of the several institutions or a summary thereof, and shall submit budgets for appropriations deemed necessary and proper to be made for

the support of the several institutions and for the extraordinary and special expenditures for buildings, betterments, and other agreements. (I.C. Chapter 262.26)

#### B. Gifts and Grants

1. The Board shall accept and administer trusts and may authorize nonprofit foundations acting solely for the support of institutions governed by the Board to accept and administer trusts deemed by the Board to be beneficial. Notwithstanding the provisions of I.C. § 633.63, the Board and such nonprofit foundations may act as trustee in such instances. (I.C. §262.9[8])
2. The chief executive officer of each institution is authorized to accept and approve all gifts, grants, and service contracts except gifts of real estate

Gifts, grants, and service contracts are to be accepted only if supportive of the mission of the institution.

3. Each institution, on or before the 15th day of each month, shall send the report of gifts and grants that was received during the preceding month to the executive director for transmittal to the director of the Department of Management and the director of the Legislative Fiscal Bureau.. The members of the Board of Regents shall receive an annual report detailing amounts, sources, and purposes of these gifts and grants. The Board Office shall retain one copy of all reports for its files. The institution will make this report in the form currently used to comply with I.C. § 8.44.
4. Each university, on or before the 15<sup>th</sup> day of the month following the end of the quarter, shall send, electronically to the Board Office, the detail of gifts and grants for the quarter for transmittal to the designated individual of the Legislative Fiscal Bureau. The Board Office shall retain one copy of all reports for its files.

#### C. Policy on Competition with Private Enterprise

1. IAC 681—9.4 implements I.C. Chapter 23A, which restricts government entities from competing with private enterprise, unless specifically authorized by statute, rule, ordinance, or regulation.
2. The Board has adopted a policy that Regent institutions shall not engage in competition with private enterprise unless the activity will assist in the education, research, extension, or service mission of the institutions.
3. To fulfill their missions effectively, institutions under the control of the Board occasionally provide goods and services which enhance, promote, or support the instructional, research, public service, and other functions to meet the needs of students, faculty, staff, patients, visitors, and members of the public participating in institutional events.
4. Each institution has established written policies regarding competition with private enterprise. These policies ensure that:

- a. Activities provided by the institutions are consistent with Board policy.
  - b. Processes are identified to handle inquiries about activities carried out by the institution.
  - c. There is a means for community businesses to interact with the institutions including discussion of complaints.
5. Annually, a report will be provided to the Board of institutional activities which may compete with private enterprises, including any formal complaints related to competition with private enterprise, during the past calendar year.

#### D. Traffic and Parking Regulations

1. I.C. 262.68 authorizes the Board to establish speed limits for all vehicles on the institutional roads and streets.
2. I.C. 262.69 authorizes the Board to make rules for the policing, control, and regulation of traffic and parking of vehicles and bicycles on the property of any institution under its control.
3. All traffic and parking regulations shall be subject to Board approval prior to enforcement. Changes in existing regulations, general or specific, shall be brought to the Board annually for approval.
4. If any change in traffic and parking regulations include an increase in monetary sanctions, notification of students is to be consistent with §8.01 of this Policy Manual.
5. General traffic and parking regulations for each university shall be filed in accordance with Chapter 17A, Iowa Administrative Procedure Act. (Regulations are in IAC Chapter 681-4.)

#### E. Records Management and Examination of Public Records

1. Records Management
  - a. I.C. §304.17 requires the Board of Regents to adopt rules for their employees, agencies, and institutions for records management. The Board's rules are in Chapter 10.
2. Examination of Public Records (I.C. 22)

The following language excerpts and paraphrases key statutory provisions applying to the Board and Regent institutions:

- a. "Public records" include all records, documents, tape or other information, stored or preserved in any medium.

“Public records” also include all records relating to the investment of public funds including but not limited to investment policies, instructions, trading orders, or contracts, whether in the custody of the public body responsible for the public funds or a fiduciary or other third party.

- b. Every person shall have the right to examine and copy public records and to publish or otherwise disseminate public records or the information contained therein as provided by law.
- c. Such examination and copying shall be done under the supervision of the lawful custodian of the records or the custodian's authorized deputy. The rules adopted by the Board are in IAC Chapter 17.
- d. Those public records which shall be kept confidential unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release information are detailed in I.C. § 22.7.

F. Administrative Procedure Act

- 1. The Board of Regents operates in compliance with the Iowa Administrative Procedure Act, pursuant to I.C. Chapter 17A.
- 2. Each Regent institution establishes institutional procedures to administer I.C. Chapter 17A, subject to Board approval as necessary.
- 3. When a timely request for making an oral presentation in regard to a rule is presented to the Board as provided by I.C. § 17A.4, the executive director will set a time and place for the presentation. The time will be not less than 20 days after notice is published in the Iowa Administrative Bulletin. The notice will state whom the executive director has designated to conduct the presentation, the subject matter, and the location.
  - a. In addition to the rules adopted by the Board in IAC Chapter 19, the person in charge of a public hearing may, in his/her discretion, announce and invoke any or all of the following rules for orderly conduct and the proper decorum:
  - b. Request that those present sign an attendance roll giving their names and addresses and representative status, if any;
  - c. Request that those requesting to make oral presentations, including those entitled to make oral presentations, sign a roster, giving their names and addresses and representative status, if any;
  - d. Permit oral presentations from anyone present or by a spokesperson for those present, including those not otherwise entitled to make an oral presentation;
  - e. Limit individual oral presentations to a fixed time;
  - f. Fix the time for the entire public hearing;

- g. Establish and amend the agenda and the order of oral presentations;
- h. Cause unruly or disorderly persons to be ejected;
- i. Make and enforce other reasonable regulations for the good order and the proper decorum for the conduct of the public hearing.

G. Matters for the State Executive Council

- 1. Items to be submitted to the State Executive Council shall be submitted through the executive director.
  - a. Subsequent to Board approval for any transactions requiring Executive Council approval, institutions are to submit a letter to the Board Office, under institutional head signature, requesting that the transaction be submitted to the Executive Council for approval. The letter should include the following information:
    - 1) Information on Board approval of the transaction with date of approval, a short description, and the approved purchase or sale price;
    - 2) The legal description of for the transaction (include as an attachment to the letter if the description is lengthy);
    - 3) A general description of the transaction as presented to the Board in the docket memorandum, including a map of the property (if used for the docket item);
    - 4) Justification for the transaction, source of funds (for property purchases), and the planned use of the proceeds (for property sales); and
    - 5) Any additional information beyond that presented to the Board that may be needed for Executive Council consideration.
    - 6) Requests will be reviewed in the Board Office. Upon satisfactory submission of all requested data, the Executive Director will forward the institutional request to the Executive Council for its consideration (along with the Attorney General's Office review of the transaction).
  - b. The institution is responsible for arrangements when institutional officials are to attend an Executive Council meeting to discuss the transaction. The institution should notify the Board Office of these arrangements.

H. Conflict of Interest - Sales and Purchases and Prohibited Interest in Public Contracts (I.C. 68B)

- 1. IAC §681—8.9 details the Board's policy on conflict of interest in public contracts and identifies specific conditions for exceptions to those policies.

2. When requesting Board action on potential conflict of interest vendors, the Regent institutions shall submit, in addition to the information required by IAC §681—8.9(3), that the institution has adequate internal controls in place to ensure that the individual is so precluded from decisions.
3. Employees, officers, and members of the Board of Regents also shall comply with the I.C., Chapter 68B, "Conflicts of Interest of Public Officers and Employees" and Chapter 4 of the Regent Policy Manual.

#### 7.08 Audit Activity

##### A. Audits

1. State Audits
  - a. The auditor of state shall annually make a complete audit of the books and accounts of every department of the state, a quarterly audit of the educational institutions, and audit testing of the Board's investments. (I.C. 11.2)
2. Each department and institution of the state shall keep its records and accounts in such form and by such methods as to be able to exhibit in its reports the matters required by the auditor of state, unless otherwise specifically prescribed by law. Each department and institution of the state shall keep its records and accounts in a current condition. The failure of the head of any department of the state to comply with this provision shall be grounds for their suspension from office. (I.C. §11.5)
3. The Board Office will receive from the State Auditor's Office all draft State audit comments and recommendations for review.
4. Proposed institutional responses to State audit comments and recommendations will be developed by the institutions in consultation with the Board Office. The proposed responses must be approved by the Executive Director before they are submitted to the State Auditor's Office.
5. A copy of all state audits related to a Regent institution shall be, upon completion, sent to the Board Office for docketing on the Banking Committee agenda.

B. Internal Audits

1. Purpose. The Board of Regents authorizes the University presidents to hire internal audit staff to provide independent appraisal services to the Board and institutional administrators. Internal auditing is a managerial control which functions by measuring and evaluating the effectiveness of other financial and managerial controls.
2. Objective and Scope. The objective of internal auditing is to assist the Board of Regents and institutional administrators in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations and pertinent comments concerning the activities reviewed. The attainment of this objective involves such activities as:
  - a. Reviewing and appraising the soundness, adequacy and application of accounting, administrative and other operating controls, and promoting effective control at reasonable cost.
  - b. Ascertaining the extent of compliance with established policies, plans and procedures.
  - c. Ascertaining the extent to which assets are accounted for and safeguarded from losses of all kinds.
  - d. Ascertaining the reliability of management data developed within the organization.
  - e. Conducting special examinations and reviews at the request of the Banking Committee, the Board of Regents or institutional heads.
  - f. Evaluating the economy and efficiency with which resources are employed and recommending improvements in operations, including reviews of administrative and support services with the objective of reducing operating costs.
3. Authority. The internal audit staffs are authorized by the Board of Regents to conduct a comprehensive program of internal auditing. To accomplish their objectives, the internal auditors are authorized to have unrestricted access to university functions, records, properties and personnel. The three universities have internal auditors to perform these functions. The University of Iowa internal auditor is responsible for internal audits at the Iowa School for the Deaf. The Iowa State University internal auditor is responsible for internal audits at the Iowa Braille and Sight Saving School.
4. Reporting. The internal audit staffs report to the University presidents, and where appropriate, to the Superintendents of the special schools, for all auditing activities except those related to the offices of President and Superintendent. Audit activities related to the offices of President and Superintendent are to be reported directly to the President of the Board of Regents.

5. Responsibility. Each year, the internal audit staffs will develop and execute a comprehensive audit plan to be conducted in accordance with applicable professional auditing standards. A comprehensive report on the internal audit function will be made to the Board through the Banking Committee in July of each year.
  6. The report will include the annual audit plan, review of all previous fiscal year audits completed and in progress, including any follow-up reviews and any audits which were scheduled but not done, and a list of all audits completed within the last three fiscal years.
  7. A copy of each internal audit report and follow-up review, upon its completion, will be sent to the Board Office for docketing on the Banking Committee agenda.
  8. Any activity which is illegal or the legality of which is questioned by the audit staff (e.g. conflict of interest, embezzlement or theft) shall be reported to the appropriate institutional administrator or President of the Board (consistent with Section 4 of this policy) immediately upon discovery by audit staff. Other appropriated authorities should also be notified.
  9. In the performance of their functions, internal audit staff have no direct responsibility for, nor authority over, any of the activities and operations reviewed.
- C. Hospital Audits
1. To arrive at proper basis for the payment of said bills for treatment, care, and maintenance [of indigent patients], the Board of Regents shall cause to be made annually an audit of the accounts of the University Hospital and determine the average cost per day for the care and maintenance of each patient therein, exclusive of the salaries of the members of the faculty of said university College of Medicine, and said bills shall be allowed at such average cost. All accounts shall be so adjusted and paid as to reimburse the funds of the hospital used for the purposes of this chapter. (I.C. 255.25)
  2. The University of Iowa Hospitals and Clinics will arrange for an annual external audit of hospital accounts and shall submit, upon completion, a copy of the audit to be docketed on the Banking Committee agenda.
- D. External Audits

A copy of all external audits conducted on any component of a Regent institution (such as bonded enterprises or Graduate Study Centers) shall be, upon completion, sent to the Board Office for docketing on the Banking Committee agenda.

### **9.03 Register of Capital Improvement Business Transactions**

- A. Capital actions, ~~as specified herein, shall~~ will be reported for approval, ratification, and execution by the Board at its next meeting. Reporting shall be by means of the monthly "Register of Capital Improvement Business Transactions" (hereafter referred to as the "Register"), with subheadings as follows: (A) Permission to Proceed with Project Planning; (B) ~~Approval of~~ Program Statements and Design Documents; (C) Project Descriptions and Budgets; (D) Consultant Agreements and Amendments; (E) Construction Contracts and Change Orders to Construction Contracts; (F) Acceptance of Completed Construction Projects; and (G) Final Reports. Processes related to the subheadings are included in separate sections of this chapter.
- B. The chief business officer of each institution shall certify the Register and send it to the Board Office with monthly docket material, where it ~~shall~~ will be filed with the executive director, who shall in turn advise the Board as to its acceptability.
- C. Each institutional docket shall carry a single item for reporting of Capital Improvement Business Transactions as defined in this section.

### **University Registers of Capital Improvement Business Transactions**

#### **9.04 Permission to Proceed with Project Planning**

Institutions shall seek the approval of the Board prior to initiating formal planning for any project estimated to cost \$1,000,000 or more. Permission ~~shall~~ will be requested in an exhibit ~~to Section (A) of in~~ the Register of Capital Improvement Business Transactions. The exhibit ~~shall~~ will include a description of the need or identification of the program to be accommodated by the project; a narrative description of the project, if known; and of alternatives, if any, to the proposed course of action. The estimated cost of the project expressed as a range and the probable source of funds ~~shall~~ will be provided. (Cost estimates provided at this time are tentative and are subject to later revision. Permission may be sought at this time to seek architectural or engineering assistance or the services of a construction manager if that is the intention of the institution.) ~~(Board of Regents Minutes July 18, 1996, p. 110)~~

#### **9.075 Program Statements and Design Documents**

##### **A. Program Statement**

The program statement describes the facility which is to be constructed in terms of purpose and scope. It may be prepared prior to hiring a design consultant or with the assistance of the consultant. Once prepared and approved, the program statement provides a basis for agreement between the project user, the institution, and the design consultant. Program statements

~~shall will~~ be submitted for Board review for all new buildings, major additions, or remodeling projects with an estimated project cost of \$1,000,000 or more. The Board ~~shall will~~ be provided with an executive summary of the program statement for approval by the Board prior to the initiation of project design. The program statement may include a review of the design concepts and projected measures of efficiency, including net to gross square feet, construction cost per square foot and projected utility and maintenance costs. (~~Board of Regents Minutes October 18, 1995, p. 324~~)

**9.08 ~~Preparation of Plans and Specifications~~** (~~Board of Regents Minutes October 18, 1995, p. 324~~)

B. Design Documents

- A. This phase of planning begins with approval of program statement and terminates with completion of bid documents. This phase includes ~~the steps of budget development, schematic design, design development and construction documents including the net to gross square footage ratio and estimated construction cost per square foot, and design development.~~ (~~Board of Regents Minutes October 18, 1995, p. 324~~)

Approval of design documents shall follow approval of the program statement. However, on occasion, and with the consent of the Board Office, the program statement and schematic design may be presented concurrently for Board approval.

1. Schematic design for projects ~~for which a program statement is required of \$1,000,000 or more~~ shall be approved by the Board. The docket exhibit shall include information on the net to gross square footage ratio (including a comparison to the building program, if previously approved), estimated construction cost per square foot, exterior materials and relationship of exterior design and materials to the campus context (for new construction), restroom fixture counts, operating and maintenance costs (for new construction), project schedule, and any additional information requested by the Board. At the time the schematic design is approved by the Board, the Board may require that further design development drawings be presented.
2. ~~Design development for projects of \$1,000,000 or more shall be approved by the Board, unless this step is waived by the Board at the time of schematic design approval.~~

**9.06 Project Descriptions and Budgets**

A. Project Description and Budget Definitions

The project description and budget ~~shall will~~ include, ~~depending on the history of prior consideration of the project by the Board,~~ a brief history of the project,

the justification or need for the project, the purpose to be served, a description of the project scope of the project, the approximate net and/or gross square feet, and a preliminary budget, and any additional information requested by the Board.

1. The preliminary budget ~~shall~~ will contain lines for major expenditure items and identify source(s) of fund(s), ~~and where applicable indicate the projected net and gross square feet to be constructed or remodeled.~~
- ~~2.3.~~ A revised project ~~description and~~ budget increases or decreases the ~~scope and/or total~~ budget from the amounts included approved in the preliminary budget. (~~Board of Regents Minutes October 18, 1995, p. 324~~)
- 3.2. An amended project budget changes the line items and/or source(s) and amounts of fund(s) from those included approved in the preliminary budget; the total project budget does not change. (~~Board of Regents Minutes October 18, 1995, p. 324~~)

B. ~~Policy on Projects Costing~~ with Budgets of Less Than \$50,000 \$250,000

1. ~~Universities~~ (~~Board of Regents Minutes October 18, 1995, p. 324~~)

A Project Description and Budget ~~shall~~ will be prepared for all capital projects with a project budget of \$100,000 or more. Institutional approval of the Project Description and Budget ~~shall~~ will constitute approval of projects estimated to cost less than ~~\$50,000 \$250,000~~ subject to entry of the project on the Register. (~~Board of Regents Minutes October 18, 1995, p. 324~~)

Approved project budgets between \$100,000 and \$249,999 shall be listed on the capital register. A summary page with a brief (two sentence) description of each project shall be included as an exhibit to the capital register.

2. ~~Special Schools~~ (~~Board of Regents Minutes October 18, 1995, p. 324~~)

~~— A Project Description and Budget will be prepared for all capital projects. Board approval of all projects is required. (Board of Regents Minutes October 18, 1995, p. 324) (MOVED TO SPECIAL SCHOOLS SECTION)~~

C. ~~Policy on Projects Costing More Than \$50,000 But Less Than \$250,000~~

1. ~~Universities~~ (~~Board of Regents Minutes October 18, 1995, p. 324~~)

~~Projects estimated to cost between \$50,000 and \$250,000 and listed on a semiannual report will be entered in the Register when projects commence. (Board of Regents Minutes October 18, 1995, p. 324)~~

~~Projects not listed on a semiannual report must be submitted to the Board Office with supporting exhibits. Board Office approval of the project~~

~~description and budget will constitute approval of projects between \$50,000 and \$250,000 not on the semiannual report, subject to entry of the projects on the Register for Board ratification. Commitments on projects shall not be made until approval is given by the Board Office. (Board of Regents Minutes October 18, 1995, p. 324)~~

C.D. Policy on Projects Costing More Than with Budgets of \$250,000 or More

1. Project Descriptions and Budgets

~~A project estimated to cost more than~~ Projects with budgets of \$250,000 or more shall ~~will be submitted to the Board for review and approval as an entry of the Register with exhibit. Commitments on projects shall not be made until approval is given by the Board. Amended and revised project budgets will be submitted to the Board for approval, although a~~

~~If project is to be fast tracked~~ If the project will employ alternative delivery methods other than the normal design-bid-build process, the project description and budget shall ~~will~~ include a review of the advantages and disadvantages (risk) of ~~fast tracking the project~~ this delivery method.  
**(MOVED FROM DIFFERENT LOCATION)**

2. Revised/Amended Project Budgets

A project with an increased budget totaling between \$250,000 and \$499,999 shall be approved by the institution if the budget increase is less than \$100,000, and approved by the Board Office if the budget increase is \$100,000 or more.

A project with an increased budget totaling between \$500,000 and \$999,999 shall be approved by the Board Office.

A project with an increased budget totaling \$1 million or more shall be approved by the Board.

A revised, decreased budget, or an amended budget, need not be submitted ~~for approval. Commitments on projects shall not be made until approval is given by the Board. (Board of Regents Minutes October 18, 1995, p. 324)~~

**9.057** **Consultant Agreements and Amendments Architect, Engineer and Construction Management Services** ~~(Board of Regents Minutes July 18, 1996, p. 110)~~

**(THE FOLLOWING STRIKEN INFORMATION TO BE MOVED TO DIFFERENT LOCATION WITHIN CHAPTER 9)**

A. Architect and Engineer Selection Process

~~The process for selection is left to the institution if the project does not fit within the category requiring use of the Architectural Selection Committee. Board approval of a negotiated A/E agreement will constitute selection of the firm.~~

~~A single architect or engineer shall be selected and recommended to the Board for its approval.~~

~~For projects under \$250,000 the selection of a non-Iowa architectural or engineering firm must be approved by the Board if the cumulative work with that firm on projects of under \$250,000 during any fiscal year exceeds \$50,000. An institution may seek Board authorization of a threshold in excess of \$50,000 for particular non-Iowa firms if good reason can be shown.~~

~~Preference shall be given in accordance with Chapter 18.6(10) of the Code to the selection of architectural and engineering firms either based in Iowa or with permanent offices in Iowa. If a firm which is neither Iowa-based nor with a permanent office in Iowa is selected, reasons shall be reported to the Board in writing included with the university's exhibit. (Board of Regents Minutes October 18, 1995, p. 324)~~

1.—Approval of architects and engineers.

A. Definition

1. Consultant agreements include but are not limited to agreements for architectural, engineering and construction management services. The provisions of this section would not normally apply to surveying or testing services.

B. Agreements

1. The chief business officer may select and contract for architectural or engineering services for projects with an estimated project budget of less than \$250,000. ~~(Board of Regents Minutes October 18, 1995, p. 324)~~

~~All architect and engineering services for the Iowa Braille and Sight Saving School and the Iowa School for the Deaf require the prior approval of the executive director or the Board. (MOVED TO SPECIAL SCHOOLS SECTION)~~

2. Whenever the estimated project budget for a construction project is \$250,000 or more, selection shall be by the Board of Regents acting upon the recommendation from the institution involved between \$250,000 and \$499,999, approval of the agreement shall be delegated to the institution if the agreement fee is less than \$50,000. If the agreement fee is \$50,000 or more, the agreement shall be approved by the Board Office.

Whenever the estimated project budget is between \$500,000 and \$999,999, the agreement shall be approved by the Board Office.

Whenever the estimated project budget for a construction project is \$1 million or more, the agreement shall be approved by the Board.

**(THE FOLLOWING STRIKEN INFORMATION WILL BE REVISED AND RELOCATED WITHIN CHAPTER 9)**

~~The process for selection is left to the institution if the project does not fit within the category requiring use of the Architectural Selection Committee. Board approval of a negotiated A/E agreement will constitute selection of the firm. (Board of Regents Minutes October 18, 1995, p. 324)~~

~~A single architect or engineer shall be selected and recommended to the Board for its approval.~~

~~For projects under \$250,000 the selection of a non-Iowa architectural or engineering firm must be approved by the Board if the cumulative work with that firm on projects of under \$250,000 during any fiscal year exceeds \$50,000. An institution may seek Board authorization of a threshold in excess of \$50,000 for particular non-Iowa firms if good reason can be shown. (Board of Regents Minutes October 18, 1995, p. 324)~~

**BC. Amendments to Consultant Contracts**

1. ~~When a proposed amendment to an architectural, engineering or construction management contract previously approved or ratified by the Board changes the scope of the project or services to be performed or increases the project budget, the amendment shall be submitted for Board action prior to implementation. (Board of Regents Minutes July 18, 1996, p. 110)~~
2. For projects with budgets less than \$250,000, any amendment ~~Any change in an architectural, engineering or construction management contract which is less than \$25,000 and does not increase the project budget can be approved by the institution's chief business officer and reported to the Board on the capital register. (Board of Regents Minutes July 18, 1996, p. 110)~~
3. For projects with budgets between \$250,000 and \$999,999, a single amendment that exceeds \$10,000 or 20 percent of the original agreement, whichever is less, shall be approved by the Board Office. All other amendments shall be approved by the institution.
4. For projects with budgets of \$1 million or more, a single amendment that exceeds \$50,000 or 20 percent of the original agreement, whichever is less, shall be approved by the Board Office. A single amendment that exceeds \$100,000 or 50 percent of the original agreement, whichever is less, shall be approved by the Board. All other amendments shall be approved by the institution.

- ~~3. Any change in an architectural, engineering or construction management contract that exceeds \$25,000 must be submitted to the executive director for approval or referral to the Board. (Board of Regents Minutes July 18, 1996, p. 110)~~
- ~~4. On projects exceeding \$250,000, amendments to architectural, engineering or construction management contracts must be submitted to the executive director for approval or referral to the Board when the total cumulative changes on a single contract exceed \$50,000 or 20 percent of the original consultant contract, whichever is less. (Board of Regents Minutes July 18, 1996, p. 110)~~

E. Bid Openings and Award of Contracts

**9.08 Construction Contracts and Change Orders**

A. Construction Contracts

For projects with approved budgets between \$250,000 and \$499,999, the construction contract shall be awarded by the institution unless there are unusual circumstances, in which case the award would be referred to the Board Office for Executive Director action. (When the contract is awarded by the institution, a copy of the bid tab and Notice of Award shall be provided to the Board Office.)

~~Where required, the chief business officer shall submit the contract(s) to the executive director for action by the Board at its next meeting. If any objections are filed pursuant to Section 73A.3 of the Code, or if the chief business officer determines that any unusual circumstances exist which require special attention of the Board, the university shall docket the proposed contract award for action by the Board at its next meeting. The capital register exhibit shall detail the objections (and the need for a final public hearing), or the unusual circumstances, for consideration by the Board. The exhibit shall also include a revised project budget, if necessary for the contract award. report shall include a statement thereof; and said matters shall be considered by the Board of Regents at its next meeting, at which time all interested parties may file a written statement. (Board of Regents Minutes October 18, 1989, p. 235)~~

For projects with budgets of \$500,000 and above, all construction contracts shall be awarded by the Executive Director; the contract award shall be reported on the capital register for Board ratification. However, the Executive Director may refer construction contract awards to the Board for action.

**(THE FOLLOWING STRIKEN INFORMATION TO BE MOVED TO  
DIFFERENT LOCATION WITHIN CHAPTER 9)**

- ~~1. Institutions shall notify the Board Office immediately when a bid opening is scheduled.~~

2. ~~Institutions shall provide in their instructions to bidders that all bids be held for at least 45 days to allow Board action at a regular meeting in cases of unusual circumstances.~~
3. ~~The chief business officer or designee shall open all bids, tabulate same, and, with the approval of the president of the institution, recommend an award of contract(s), or, where authorized under these procedures for projects under \$250,000, award the contract. On projects with budgets of \$250,000 or more the institutions shall forward to the Board Office a copy of the bid tabulation within 24 hours of the bid opening. The bid tabulation shall include the engineering estimate for the work being let as well as a written statement indicating whether award of the contract to the low bidder will allow the project to proceed within the last approved project budget.~~

**(THE FOLLOWING STRIKEN INFORMATION HAS BEEN REVISED AND RELOCATED ABOVE)**

~~Where required, the chief business officer shall submit the contract(s) to the executive director for action by the Board at its next meeting. If any objections are filed pursuant to Section 73A.3 of the Code or if the chief business officer determines that any unusual circumstances exist which require special attention of the Board, the report shall include a statement thereof; and said matters shall be considered by the Board of Regents at its next meeting, at which time all interested parties may file a written statement. (Board of Regents Minutes October 18, 1989, p. 235)~~

**(THE FOLLOWING STRIKEN INFORMATION TO BE MOVED TO DIFFERENT LOCATION WITHIN CHAPTER 9)**

4. ~~Where required by these procedures, the chief business officer shall furnish to the Board Office a report of the bid opening, tabulation of bids received, a recommendation as to award of contract, and a revised project budget, if any. The institution should mail or send via telecopier to the Board Office the following exhibits:~~
  - a. ~~A copy of the bid tabulation (in addition to the copy sent within 24 hours of the bid opening). (Board of Regents Minutes October 18, 1989, p. 235)~~
  - b. ~~A contract award recommendation accompanied by one of the following statements:~~

~~The award can be made as there are no unusual circumstances or irregularities in the recommended action~~

~~or~~

~~The following irregularities or unusual circumstances are called to your attention for appropriate action: (detail)~~

~~The chief business officer is also to furnish a copy of the bid tabulation to Board members upon request, or when unusual circumstances warrant. The recommendation of award of contract will be furnished through the Board Office prior to the Board meeting for review and comment.~~

- ~~c. Any targeted small business documentation if applicable.~~
- 5. ~~The executive director shall notify each institution formally by letter of action taken on each award of a contract for projects over \$250,000 authorized by the executive director. Action will take one of these forms:~~
  - ~~a. Award of contract when there are no irregularities reported by the institution.~~
  - ~~b. Award of contract with waiver of minor irregularities.~~
  - ~~c. Referral of the matter to the Board for action at its next meeting.~~
- 6. ~~The contract shall not be considered to be awarded until the institution receives a formal letter from the executive director. Upon notice of award by the executive director, the institution may proceed to issue a "Notice of Award," with a copy to the Board Office. If the proposed award involves unusual circumstances, the institution shall include the matter in its next Register. The "Notice of Award" shall not be issued until the Board takes formal action on such transactions, unless the public interest requires award by the executive director prior to the Board's next meeting.~~

**(THE FOLLOWING STRIKEN INFORMATION HAS BEEN REVISED AND RELOCATED ABOVE)**

- 7. ~~The institution and/or the executive director shall docket for Board action any unusual circumstances in regard to the award of a contract, revision of the project budget, or the necessity for a final public hearing in case there have been objections. (Board of Regents Minutes August 11-12, 1966, p. 64; November 10-12, 1966, p. 217; October 9-10, 1969, p. 94; May 25-26, 1976, pp. 565-568)~~

**9.10 Construction**

**B.A. Contract Change Orders**

For projects with budgets between \$250,000 and \$999,999, a single change order that totals \$50,000 or more shall be approved by the Board Office. All other change orders shall be approved by the institution.

For projects with budgets of \$1 million or more, a single change order that totals between \$50,000 and \$99,999 shall be approved by the Board Office. A single change order that totals \$100,000 or more shall be approved by the Board. All other change orders shall be approved by the institution.

Change orders that decrease the project budget need not be submitted for approval.

All copies of contract change orders requiring Board approval shall be signed by the chief business officer and the Executive Director after Board approval.

**(PORTION OF THE FOLLOWING STRIKEN INFORMATION TO BE REVISED, MOVED TO DIFFERENT LOCATION WITHIN CHAPTER 9)**

1. ~~Upon recommendation of the architect or engineer, the institution may authorize change orders in the construction contract.~~
2. ~~All change orders shall be submitted on standard change order forms and shall be accompanied by an explanation of the reason for the change.~~
3. ~~The chief business officer, with the approval of the institution, is authorized to approve contract change orders under the amount of \$50,000 for which no increase in the previously approved project budget is required. (Board of Regents Minutes October 18, 1995, p. 324)~~
4. ~~Contract change orders require approval by the Board in the following circumstances:~~
  - a. ~~Requires an increase in the project budget or scope.~~
  - b. ~~Is for \$50,000 or more; however, this approval may be waived by the executive director if no significant change in project scope is involved and it is in the public interest to proceed. (Board of Regents Minutes October 18, 1995, p. 324)~~
5. ~~Contract change orders requiring approval by the Board shall not be signed by the chief business officer until approved.~~

**(THE FOLLOWING STRIKEN INFORMATION HAS BEEN RELOCATED ABOVE)**

6. ~~All copies of contract change orders requiring Board approval shall be signed by the chief business officer and the Executive Director after Board approval.~~

**9.09 Acceptance of Completed Construction Contracts**

All construction contracts for projects with budgets of \$250,000 or more, which have been accepted as complete by the chief business officer, shall be listed on the capital register.

~~C. Acceptance of Completed Construction Contracts~~

**(THE FOLLOWING STRIKEN INFORMATION TO BE REVISED, MOVED TO DIFFERENT LOCATION WITHIN CHAPTER 9)**

1. ~~The chief business officer, with the approval of the chief executive officer of each institution, is authorized to accept contract work as complete and authorize final payments on behalf of the State Board of Regents and in accordance with the Code. The 30-day waiting period shall commence on the date of such acceptance and authorization. (Board of Regents Minutes October 18, 1995, p. 324)~~
2. ~~Upon request, the executive director shall be provided 10 days advance notification of the scheduled inspection of any contract exceeding \$10,000,000 and may have a representative participate with the institution in the inspection of the contract prior to contract acceptance. (Board of Regents Minutes October 18, 1995, p. 324)~~
3. ~~The contract performance bond shall provide coverage for at least one year following contract acceptance by the institution and permit the Board recourse to remedy contractor deficiencies without prejudice due to prior acceptance of the contract by the institution. (Board of Regents Minutes October 18, 1995, p. 324)~~

#### **9.10 Final Reports**

Final reports for completed capital projects with budgets of \$250,000 or more shall be listed on the capital register. A final report document, showing in summary form the current project budget, expenditures, balance or overdraft in the project account, and disposition of the balance or overdraft (with explanation), shall be included as an exhibit to the capital register and/or forwarded to the Board Office.

##### **~~D.~~ Final Reports**

1. ~~The chief business officer shall file with the executive director a final report for each completed capital improvement project over \$250,000. The report shall show, in summary form, funds available, expenditures, the balance or overdraft in the project account. (Board of Regents Minutes October 18, 1995, p. 324)~~
2. ~~The report shall include the recommendation of the chief business officer, with the approval of the chief executive officer of the institution, for disposition of the balance or overdraft, supported by explanation.~~

#### **Special School Registers of Capital Improvement Business Transactions (TO BE REVISED AT FUTURE DATE)**

The capital procedures for the universities shall also apply to the special schools, with the following exceptions:

**Consultant Agreements**

All architect and engineering services for the Iowa Braille and Sight Saving School and the Iowa School for the Deaf require the prior approval of the executive director or the Board.

**Project Descriptions and Budgets**

A Project Description and Budget shall be prepared for all capital projects. Board approval of all projects is required.

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